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ABSTRACT

This practical aid is designed to help individuals and organizations working at the local level on employment and economic issues to build effective public-private partnerships and develop stronger links between economic development and employment and training activities. It is intended for practitioners at the policy and program levels in public and private organizations and in community and economic development programs and employment and training programs. Part One presents a background and perspective on the linkage concept and explains why new efforts are warranted. It reviews the changing roles of different public and private institutions in this area and outlines creative new uses of available resources to promote linkages. Part Two illustrates innovative approaches to such economic development and employment issues as business retention and plant closings. Brief case studies are used to illustrate how different communities have developed successful linkage strategies in a community. It provides checklists of self-assessment questions to help communities think through their local situations. An appendix provides an annotated list of resource persons and organizations and a 75-item bibliography of reference materials. (YLB)

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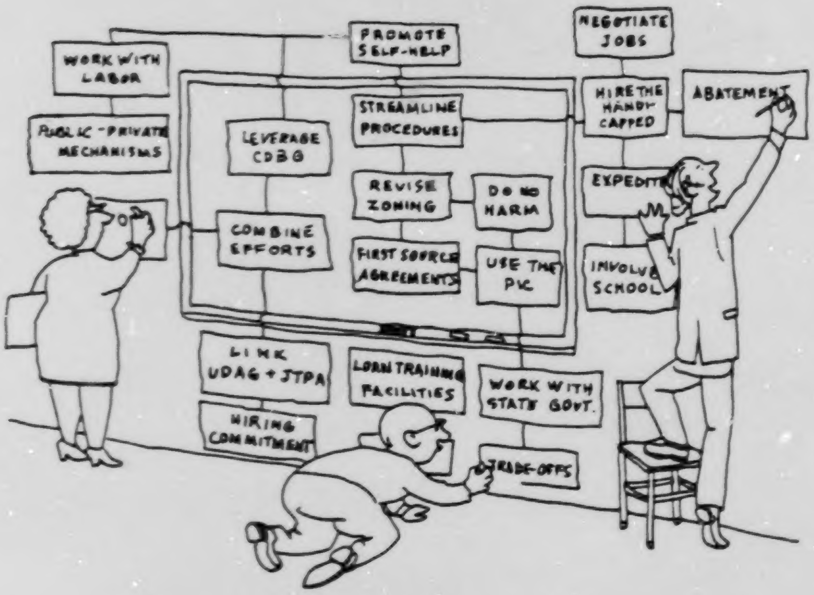
The Employment/Economic Development Connection: New Tools, New Roles, New Directions

A Guidebook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Stephen J. Bollinger, Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, died on June 18, 1984. His commitment to the economic well-being of the nation's cities and their residents led to the funding of the project that resulted in this guidebook. His friends, associates and all of those who shared Mr. Bollinger's commitment will miss his enthusiasm, energy and effective performance.

ACKNOWLEDGEMENTS

Many persons contributed to the production of this guidebook. Thomas Chmura of SRI International (SRI) had the principle responsibility for its preparation. Leo Penne of the National Alliance of Business (NAB) served as the general editor. Douglas Henton of SRI and Joseph Fischer, Jane Pease and Hal Williams of NAB provided extensive assistance. Ms. Pease served as the Project Director for the overall Employment/Economic Development Connection project. Mr. Fischer, the project's initial director, is now the NAB Regional Vice President in Boston, Massachusetts.

Numerous individuals in the nine demonstration communities – Akron, Ohio; Chester County, Pennsylvania; Cleveland, Ohio; Contra Costa County, California; Fresno County, California; Grand Forks, North Dakota; Greenville, South Carolina; Jackson, Michigan; and Tupelo, Mississippi – have also significantly contributed to the conduct of the project and development of the guidebook. A wealth of experience and ideas drawn from many others is incorporated in the guidebook.

Stephen J. Bollinger, Assistant Secretary for Community Planning and Development, and John Simmons, Executive Assistant for Economic Development, were the key individuals at HUD who initiated and oversaw the work of this project, including the development of the guidebook.

Special thanks go to Shelley Kallop for her expert assistance in the preparation of this document for publication.

FOREWORD

This guidebook is a practical aid for individuals and organizations working at the local level on employment and economic development issues. It will help those who want to build effective public-private partnerships and develop stronger links between economic development and employment and training activities.

The need for better working relationships between economic development and human development efforts has become more evident in recent years. Unemployment and job creation are at the top of the nation's agenda. Despite strong economic recovery, unemployment remains too high in many communities. Public and private leaders are increasingly concerned about the continuing employment impacts of economic restructuring, international competition and technological change. The new knowledge-intensive industries need qualified labor in order to achieve their full economic potential. Workers in declining industries must have new employment opportunities and the skills needed to take advantage of them. The economically disadvantaged must be prepared to fill jobs in the expanding sectors.

To achieve these objectives, local public and private leaders across the country are seeking new ways to deploy the full range of their resources to stimulate economic development that creates jobs for those who need them most. This task is not an easy one and demands high levels of commitment and coordination from a wide variety of local actors. Many of the resources and tools exist. The Job Training Partnership Act offers both a framework for cooperation and resources that can be used to promote a community's overall employment/economic development strategy. And, while many federal grant-in-aid programs have been cut or eliminated, important ones such as the Community Development Block Grant and Urban Development Action Grant programs have been continued and made more flexible. These programs, if effectively linked with private sector expertise and resources, and the full range of authority and resources available to public officials, can generate more jobs for community residents, particularly the economically disadvantaged. How to forge this link is the subject of this guidebook.

The guidebook was developed under a cooperative agreement from the Office of Community Planning and Development at the U.S. Department of Housing and Urban Development as part of a national project – the Employment/Economic Development Connection (described in the Appendix). A "working draft" was prepared, based on research on economic development and employment issues and information on local partnerships and linkage programs across the country. That draft was "tested" in the nine communities which participated in the project. This final version has been revised based on the experience using the draft in those communities and it incorporates numerous illustrations from those places. A brief overview of the report is also available from the National Alliance of Business.

We hope this guidebook will be a valuable tool to those in the public and private sectors who are working towards more effective partnerships for job creation.

William H. Kolberg
President
National Alliance of Business

Steven A. Waldhorn
Director, Public Policy Center
SRI International

July 1984

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Introduction

INTRODUCTION

- In Contra Costa County, California, the County Board of Supervisors has recently established a policy linking its decisions on economic development assistance and land use changes for private developers to a developer's willingness to hire unemployed or economically disadvantaged county residents.

- In Akron, Ohio, the City, County, Private Industry Council, school district and University of Akron have initiated a joint incentive marketing program headed by the regional chamber of commerce to jointly market economic development and employment and training information services and incentives to business.

- In Chester County, Pennsylvania, the county office of economic development has packaged Private Industry Council on-the-job training resources, a Community Development Block Grant loan fund, an entrepreneurial training program, and a state-sponsored small business incubator program into a concerted strategy to promote new and small business development and new jobs in two depressed steel towns.

Each of these communities participated in a technical assistance project, the Employment/Economic Development Connection, which was funded by the U.S. Department of Housing and Urban Development and which was designed to help communities develop linkage strategies.

In each case, local public and private leaders are using their community resources more creatively and effectively to achieve employment and economic development objectives. **This guidebook builds on this emerging body of experience. The guidebook is designed for those organizations and individuals interested in developing new and more effective approaches for today's employment and economic development needs – approaches that are based on stronger collaboration between the public and private sectors and closer linkages between employment and economic development activities**.

Developing innovative employment/economic development linkage strategies and forging public-private partnerships in this area is not easy. They require political support, interagency coordination, and multiparty negotiations. They also take much time and effort. Therefore, every community will need to decide carefully how best to proceed in undertaking new linkage initiatives. **This guidebook is intended to help communities make such decisions about whether and how they should develop linkage initiatives**.

The guidebook is directed at practitioners – at both the policy and program levels – in public and private organizations, and in community and economic development programs as well as employment and training programs. It should serve people who work in or with such diverse organizations as Community Development Block Grant offices, Private Industry Councils, Mayor's offices, employment and training agencies, economic development offices, school districts, industrial development agencies, and private firms.

It is meant to be a practical aid. It is drawn from a considerable body of research and experience on partnerships, linkages, and new kinds of community problem-solving processes – including demonstration activities in nine communities. It summarizes key points from other studies in a way that should make these findings useful to practitioners. References to publications describing other important work are included in the bibliography at the end of the guidebook.

How to Use the Guidebook

The guidebook is not meant to be a detailed technical report to be read and put on the shelf. The exhibits, checklists, and lists of questions can be used to record comments and "answers" to help the reader think through the key issues and processes.

This guidebook may be used in different ways. Some readers may find it useful to read the entire guidebook from cover to cover. Others may want to focus on particular sections of interest to them. Some may simply want to review the short overview that has been developed as a companion to this guidebook.

The guidebook has three major parts, along with an appendix of reference materials and resources available to communities.

Part One presents a background and perspective on the linkage concept and explains why new efforts are warranted. It reviews the changing roles of different public and private institutions in this area, and outlines creative new uses of available resources to promote linkages. **Read Part One if you want to know why it is becoming more important to forge strong links between economic development and employment and training programs**.

Part Two illustrates innovative approaches to different economic development and employment issues such as business retention and plant closings. Brief case studies are used to illustrate how different communities have developed successful linkage strategies to deal with their priority issues. **Read Part Two to find out what has been done in other communities to address problems similar to the ones you face**.

Part Three outlines a step-by-step process for developing and implementing a linkage strategy in a community. It provides checklists of self-assessment questions to help communities think through their local situations. **Use Part Three to help initiate and carry out a linkage effort in your community**.

An Appendix provides a list of resource persons and organizations and a bibliography of reference materials. You can avoid reinventing the wheel through effective use of these resources.

I New Directions for Linkages

PART ONE: NEW DIRECTIONS FOR LINKAGES

OVERVIEW

This part of the guidebook begins with a definition of "employment/economic development linkage" and then looks at the need for linkages in today's environment and the new perspectives shaping the development of linkage strategies. It continues with a review of the diverse actors to be involved, the various resources to be tapped, and the institutional arrangements and negotiating processes to be used in developing new linkages.

The key message here is that linkages are increasingly important – not just for their own sake or for organizational "neatness" – but to address today's pressing economic development and employment problems. Furthermore, virtually every local community has at its disposal an impressive array of actors and resources – many forgotten or overlooked in the past – that can be used in the development of effective, new public-private linkage strategies.

A NEW PERSPECTIVE ON LINKAGES

The Link Between Employment and Economic Development

In most communities, employment and training activities and economic development efforts have been carried out separately, with little coordination and sometimes active antagonism. This is unfortunate because there is much to be gained by strong employment/economic development linkages.

What exactly is meant by the employment/economic development linkage? **Linkage is the purposeful coordination of programs and strategies in employment and training and in economic development so as to better achieve community objectives in each area.** Effective linkages can bring about both greater private investment in the local economy and more training and employment opportunities for local residents, especially the disadvantaged. Both public and private sector participants can benefit from successful linkage strategies.

Because each local community has its own unique set of problems, resources, and institutional arrangements, linkage can take many different forms. The spectrum of linkage activities can include:

- Using skills training as an incentive for new economic development.
- Retraining displaced workers for skills that match emerging job opportunities.

- Negotiating hiring and training commitments from private developers receiving public assistance.

- Making education and training programs more sensitive to the changing labor needs of local firms.

- Developing new economic development ventures that directly involve the unemployed and hard-to-employ.

The Need to Link Economic Development and Job Training in Today's Economy

Coordination between local job training and economic development programs is becoming increasingly important in the changing American economy. Our economy is going through a dynamic period of change and adjustment to new economic realities. Unless we can forge better partnerships between our economic development and employment and training programs, we may find that the new economic realities leave too many people dependent on society for their support, rather than on their own resources.

The era of low interest rates, limited foreign competition, stable markets, and production processes that allowed some key industries to operate in a sheltered environment is disappearing. That environment is being replaced by one in which money has a high cost, international competition is extensive, markets are changing rapidly, and technological change strongly affects industrial competitiveness. Thus, an American economy once dominated by mass production on a very large scale is increasingly responding to segmented markets less amenable to traditional mass production – markets where quality has replaced quantity as the key to success.

Most growth and job creation in this new economy is occurring in sectors such as information and services, and in new, small- and medium-sized firms. In addition, mature industries must change by adopting new management techniques and technologies to remain competitive.

In this new economic environment, efforts to promote economic development and job creation necessarily must take on new forms. The traditional practice of attracting manufacturing industries by promoting the advantages of low-cost labor, availability of land, and public subsidies (through tax breaks or industrial development financing) is no longer as appropriate as it once was. Simple "boosterism" and tax cutting are being replaced by approaches that stress new enterprise development, reinvestment in mature industries, and the development of "human capital." Rather than attempting to simply attract industry from other regions, revitalization efforts today attempt to create an environment to support entrepreneurs and to revitalize existing industry. In fact, most jobs created in today's economy are coming from new, small- and medium-sized businesses that have found ways to serve today's markets in a more competitive manner.

While physical capital and financial requirements for economic development remain important, much more emphasis is being given to the human capital side of the equation. Communities are finding that businesses are increasingly concerned about educational reforms and the quality of the labor force. In spite of high unemployment, economic growth in many areas is constrained by a lack of skilled labor in such fields as electronics, machine tools, and computer programming. New development that must attract skilled labor from outside a community's borders is not of much help to the locally unemployed and disadvantaged. Dislocated workers who do not have modern skills will not be able to compete in today's job market.

All of these conditions indicate quite clearly why employment and training and economic development activities need to be closely linked – economic development is more dependent than ever on a skilled labor force, and employment and training opportunities simply cannot happen without economic development. In spite of the seemingly obvious needs for linkage and coordination, studies by the Department of Housing and Urban Development (HUD), the Department of Labor (DOL), the National Alliance of Business (NAB), the National Council for Urban Economic Development (CUED), and others indicate that effective linkage between local employment and training and economic development activities is still the exception, not the rule. Historically, they have been funded and operated separately. Formal relationships between the two groups were often nonexistent and, in some cases, even adversarial.

Economic development directors were reluctant to talk about CETA with developers and businesspersons, while CETA directors sometimes did not seem to understand how to best meet the needs of private sector employers. Lack of common understanding has been one of the causes of the failure to collaborate effectively. Many economic development professionals, in their search for new investors, have concentrated overwhelmingly on financial packages and may even look upon the community's employment and training agencies as a potential obstacle to their efforts. In their view, requiring prospective investors to consider hiring the unemployed might jeopardize their chances of success. On the other hand, employment and training officials have often failed to deliver qualified job applicants, and their reputations have suffered accordingly. In addition, they have not always understood how to sell the incentives and benefits available through employment and training services to employers and development officials. Thus, relatively few communities have attempted to devise comprehensive linkage strategies – much less operational systems – to utilize the resources in each area in an integrated way.

Linkage Opportunities Under the New Federalism

Fortunately, along with the need for closer linkage, the opportunity for developing such linkages has increased. The New Federalism provides states and communities with greater control over many federal programs including the Community Development Block Grant program and the Job Training Partnership Act. With the opportunity goes the necessity of greater private sector involvement because of the substantial reduction in federal aid to localities. Thus, the context in which linkages need to be made has changed.

Given funding realities, the fundamental issue is no longer primarily one of coordinating limited federal programs at the local level, as was stressed in the 1960s and 1970s. Rather, **local communities must do a better job of combining their own powers and private sector resources with federal and state programs to promote stronger linkages between economic development and job and training opportunities**.

Communities will need to be more creative in their use of local and state governance powers (e.g., zoning incentives to private developers who agree to provide more jobs). They will need to tap more private sector resources and develop stronger partnerships with the business community (e.g., linking with the insurance industry's initiative for the hard-to-employ). And they will need to make effective use of available federal programs and link them more closely to private sector resources. If they fail to provide these linkages, their economic development efforts will not produce the types of employment gains that communities desire.

Specifically, what is needed is an approach that will not only improve the ties between publicly funded efforts in these areas but also link these efforts with economic trends that provide the greatest opportunity to improve the economic base and generate jobs for the local labor force. Fortunately, there are new possibilities for more effective linkage efforts as a result of the Job Training Partnership Act (JTPA), increased flexibility offered by the Community Development Block Grant (CDBG), and the central role that Urban Development Action Grant (UDAG) projects play in local development strategies. The Job Training Partnership Act has provided an expanded role for business in the design of employment programs at both the state and local levels. Private Industry Councils (PICs) are playing an even larger role than under CETA. The greater CDBG flexibility provides additional leeway at the local level for public-private linkage efforts and the job creation objectives and mechanisms of UDAG offer promising linkage opportunities. Therefore, communities have opportunities to direct the use of federal resources and combine them with other local resources to achieve local objectives.

New Perspectives

The evolution of linkage strategies from the earlier focus on coordinating federal resources to a current focus on utilizing all available community resources (public and private, fiscal and nonfiscal) has generated a new perspective on linkage based on the following principles:

- Imaginative and effective public-private collaboration is crucial to successful linkages.
- Public/public collaboration must be strengthened as well.
- Both fiscal (e.g., spending) and nonfiscal (e.g., regulatory, tax, administrative, and promotional) tools are required.

- Specific local issues provide a needed focus for linkage.

- An organized problem-solving process involving key actors is required for developing a public-private strategy.

- Public-private negotiations involving trade-offs between sectors are required to develop successful linkages.

- New institutional arrangements may be needed to bring key sectors and resources together.

Joint undertakings by government and business (public-private partnerships) can yield positive benefits for both the firm and the community at large. Partnership efforts aimed at more effective economic development/employment linkages can benefit business through a better trained work force, greater demand for business products resulting from economic growth, and a healthier local business environment. Government gains will come from greater employment, an expanded tax base, fewer demands for social services, and increased vitality of the community.

Getting the "public act together" is essential both to guarantee effective use of public resources and to create a satisfactory partner for the private sector. Insofar as possible, the public side must speak with one voice and be willing and able to make commitments of resources, crossing program lines and, if possible, jurisdictional boundaries.

A key to effective linkage is the use of a wider range of tools than just public spending. Local governments can use their zoning, tax, permit, and administrative powers to help stimulate economic development linked to job creation for the disadvantaged. Federal resources, such as UDAG and CDBG, can provide leverage but need to be supplemented by other local resources (both public and private). Private resources can be brought in as part of a bargaining process whereby government trades off policy changes (zoning or permits) or development incentives (infrastructure or loans) for private commitments on employment.

A problem focus is critical for beginning a public-private process; attempting to take on everything at once can be paralyzing. Few business people are interested in abstract "comprehensive" economic development and employment strategies; most tend to be problem solvers. Choosing a local problem of critical importance to both business and government will make it easier for a group of interested parties from government, business, and the community at large to come together, begin to address real problems, and develop strategies for dealing with them.

An organized problem-solving process in a community can be critical to developing a strategy for action. It can help bring key actors together and keep them on track. A community problem-solving process developed by NAB and SRI has been demonstrated in nine localities in the Employment/Economic Development Connection project. It involves the following basic steps (elaborated in Part Three):

- Understanding Local Context
- Defining a Focus
- Organizing a Partnership
- Analyzing the Issue
- Identifying Options
- Negotiating Agreements
- Implementing and Following Through on Action Plans.

Negotiating trade-offs between the public and private sectors is an important element of the new view of linkage strategies. Local governments need to adopt a more "entrepreneurial" perspective. They can trade off zoning, permit or tax advantages, or financing aid for agreements by business to hire and train the disadvantaged. Quid pro quos are needed to promote the employment/ economic development connection.

Finally, new institutional arrangements may be needed at the local level to facilitate the development of linkage strategies. Agencies which may have operated on separate tracks in the past will need to combine their resources and work more closely together if linkages are to be effective. This may require new arrangements ranging from ad hoc task forces to major reorganization and consolidation of existing agencies and functions.

The following section describes briefly the actors who should participate and what they can gain.

CHANGING ROLES OF KEY ACTORS

No one agency, firm or sector in a community has all the information and resources needed to achieve local employment and economic development objectives. **Many different actors – each with a stake in these issues and each with a unique set of resources – need to be involved in the problem-solving process**. The focus cannot be only on the agency allocating JTPA or CDBG dollars; rather, it must be on examining what roles various public and private actors in a community can play in addressing local employment and economic development problems. Such efforts can result in numerous, concrete benefits to different actors that justify their participation in linkage efforts (see Exhibit 1). It is important that partners give and take. Forging successful partnerships requires identifying what the "gives and takes" might be.

General-purpose local government, which confronts these problems "on the front lines," must play a pivotal role in fostering linkages. The innovative use of local policy tools and the promotion of public-private partnerships are essential elements of effective linkage strategies. Local officials must increasingly play "broker" and "facilitator" roles, not simply the more traditional grantsmanship and regulatory/administrative roles. They must develop and carry

Exhibit 1

BENEFITS TO DIFFERENT INTERESTS FROM LINKAGE ACTIVITIES

Local and State Government

- Closer working relationships among agencies
- Better use of employment and economic development resources
- Economic development resulting in jobs for local residents, particularly the disadvantaged
- Training programs more relevant to real business needs
- A healthier economic environment and an expanded tax base

Private Business

- Access to adequately trained and skilled labor
- Incentive for business expansion through public benefits (loans, tax credits and exemptions, zoning changes, wage subsidies)
- Establishment of a public-private collaboration process that can be used in other issue areas

Labor

- A potential voice for employees in the linkage development process
- Retraining and placement efforts for displaced workers
- New job opportunities for union members

Community and Economic Development Agencies

- Trained labor as a development incentive
- Access to better labor market information
- Increased resources for development programs

Training and Education Institutions

- A source of job placements for students and clients
- Training and education programs more related to both real business needs and community interests
- New collaboration between education and the business sector

Community Organizations

- A "grass roots" voice in the linkage process
- Better use of volunteer, self-help, and other community-based resources

out policies for the use of the federal resources (CDBG, UDAG, JTPA) under local control more strategically, using those funds to leverage private resources and linking them with other state and local policy changes to achieve overall objectives.

State government is changing its role in economic development and is playing a greatly expanded role in employment policy under the Job Training Partnership Act. Thus, states also need to participate more actively in local linkage efforts. State economic development tools (tax incentives, loans for new and small business, technology programs, bonding authority) need to be considered as potential resources. Support for local linkage efforts should also be sought from state employment service agencies and institutions of higher education.

The **business** community has an opportunity to participate in new public-private efforts and achieve a "bottom line" payoff in terms of a more productive labor force. Business can bring a variety of resources to the bargaining table – the use of loaned personnel and training facilities, operational decisions (e.g., hiring practices, private training programs), investment policies (e.g., targeting of procurements, pension policy), philanthropy, as well as prestige and clout in the community.

Organized labor plays an important role in employment activities in many communities and can be a partner in the development of some linkage strategies. Unions can provide personnel and assistance to training efforts. They also can help to provide employees' perspectives on economic development and employment policies. Unions have become especially concerned about policies regarding dislocated workers in their ranks and the fate of other workers in the older, declining industries affected by technological change and international competition.

Training and educational institutions at all levels are increasingly recognized as a key factor in shaping labor supply. Business has become more aware of the economic consequences of inadequately trained employees (in terms of both technical and basic skills), and firms are becoming more actively involved in local educational issues. Vocational education and community college programs are clearly important resources that should be considered in linkage efforts. Public schools also can be a resource for making the skills of the labor supply more relevant to job demands. Colleges and universities may need to become active in more specialized areas. And, of course, the JTPA offers both a structure for collaboration and substantial resources that can be incorporated into employment/economic development strategies.

Community and economic development agencies can increase the number of jobs going to low- and moderate-income persons as a result of UDAG, CDBG and other economic development projects and can increase overall job creation in the community through the use of employment and training services as development incentives.

The wide variety of **community-based organizations** in every locality are an important resource. Community development corporations, co-ops, community-based training organizations, and self-help efforts can be usefully involved in negotiations for employment and economic development linkages. Some can play an important role as a provider of trained labor, and others can be part of the job creation strategy.

Private Industry Councils (PICs) can play a critical intermediary role in bringing together business, labor, and government to focus on employment and economic development issues. PICs have broad authority under JTPA and an expanded opportunity to get involved in economic development. In most communities, PICs can be an important vehicle for promoting public-private partnerships.

Finally, **multi-jurisdictional bodies**, such as regional councils of government, regional chambers of commerce, or economic development districts, may also be important actors – especially in rural areas. Such groups are often involved in economic development and employment planning activities, and may even administer certain development programs.

In examining the roles of various state and local institutions, it becomes quite clear that employment is more than simply the concern of "employment and training" agencies. Likewise, economic development is more than merely the province of the local development department. Developing effective linkage strategies requires that consideration be given to the roles that all the major public and private organizations can play. It also requires a willingness to cross traditional organizational lines and use creative problem-solving methods that make best use of all available resources in a community.

CREATIVE USE OF RESOURCES

The public and private actors in every community possess a wide array of resources including but not limited to money that can be used to promote economic development and employment opportunities. The challenge in every community will be to creatively make the best use of the full range of available resources in ways that promote both general economic revival and specific job opportunities for the unemployed and disadvantaged. **New kinds of resources will need to be tapped, established resources will need to be used in more creative ways, and new kinds of linkages will have to be developed**. See Exhibit 2 for a summary listing of resources. See also "The Resource Matrix" (Exhibit 3) developed by the Boston PIC as an illustration of how various resources can be applied to different local needs.

Tapping Private-Sector Resources

Categories of private sector resources include corporate leadership, investments, operational decisions, personnel and facilities, and philanthropy. Examples of how approaches in each category can be used to address economic development and employment issues are provided below.

Exhibit 2

RANGE OF RESOURCES FOR LINKAGE ACTIVITIES

Private Sector Resources

- Corporate leadership
- Placement of financial investments
- Use of business operations, decisions, and policies
- Loaned personnel, facilities, and equipment
- Corporate giving

Local and State Policies

- Regulation and deregulation
- Tax policy change
- Administrative reform
- Public-sector advocacy
- Financial incentives

Flexible Federal Programs

- Community Development Block Grant
- Urban Development Action Grant
- Job Training Partnership Act
- Economic Development Administration programs
- Small Business Administration programs

[illegible]mmunity Resources

- Community self-help
- Volunteers
- Local foundations
- Community-based organizations

Corporate Leadership – Individual firms or groups of firms can use their prestige to help stimulate community efforts toward economic development and employment linkages.

- Executives of major corporations can take the lead in newly organized public-private partnership efforts focused on linkage, as B.F. Goodrich did in connection with the Akron Area Joint Economic Council.

- The media can play a constructive role in highlighting local issues and innovative approaches used in other communities, as TV station KAKE has done in Wichita, Kansas.

Financial Investments – Private firms can agree to make "social" investments (at less than maximum return) in development projects and other activities that help provide job opportunities for the disadvantaged:

- A group of corporations can establish a revolving loan fund to help meet the special credit needs of small and minority businesses that provide jobs for the hard-to-employ.

- Corporations can make loans to community-based local development corporations in a CDBG target area, as Levi Strauss and other firms are doing through the Ford Foundation's LISC Program.

- Firms can also decide to locate and invest in inner-city plants, provided local government offers needed services and other incentives, as Baltimore, Maryland, did for Control Data.

Business Operations, Decisions, and Policies – Corporate employment, training, personnel policies, and procurement practices can be designed to promote new job and training opportunities for the disadvantaged.

- A new developer in a CDBG redevelopment area could be encouraged to establish special training programs for the handicapped or hiring programs for minority youth.

- Business might also move to provide more support services such as day care to improve employment prospects for the hard-to-employ.

- Major corporations can target some of their purchases to minority-owned or community-based business to support local economic development activity, as Prudential is doing in Newark.

Exhibit 3

THE RESOURCE MATRIX

BOSTON PRIVATE INDUSTRY COUNCIL, INC.
110 Tremont Street Boston, MA 02108 423-3755

		capital resources										tax incentives				employment assistance							
	business needs	NEIGHBORHOOD COMMERCIAL DEVELOPMENT BANK	BOSTON LOCAL DEVELOPMENT COMPANY	BOSTON INDUSTRIAL DEVELOPMENT FINANCE AGENCY	ECONOMIC DEVELOPMENT & INDUSTRIAL CORPORATION	MASSACHUSETTS TECHNOLOGY DEVELOPMENT CORPORATION	MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION	MASSACHUSETTS CAPITAL RESOURCE COMPANY	COMMUNITY DEVELOPMENT FINANCE CORPORATION	SMALL BUSINESS ADMINISTRATION LOANS	SMALL BUSINESS INVESTMENT CORPORATION	URBAN JOBS INCENTIVE PROGRAM	MASSACHUSETTS INVESTMENT TAX CREDITS	TARGETED JOBS TAX CREDIT	OTHER FEDERAL TAX INCENTIVES	NDEA*/ BPIC	JOB EXCHANGE	JOB COLLABORATIVE	MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY	BAY STATE SKILLS CORPORATION	BOSTON PUBLIC SCHOOLS	COMMUNITY COLLEGES	COMMUNITY-BASED ORGANIZATIONS
forms of financing	EQUITY					●		●	●		●												
	SUBORDINATED DEBT		●			●	●	●	●	●	●												
	UNSECURED DEBT					●		●	●	●	●												
	SECURED DEBT	●	●				●	●	●	●	●												
	INDUSTRIAL REVENUE BONDS			●																			
	LOAN GUARANTEE		●							●													
uses of financing	WORKING CAPITAL		●			●	●	●	●	●	●												
	SITE DEVELOPMENT	●	●		●																		
	STRUCTURAL REHABILITATION	●	●	●		●			●	●					●								
	BUSINESS LOCATION/RELOCATION	●	●	●	●	●	●		●	●		●	●										
	EQUIPMENT PURCHASE	●	●	●		●	●	●	●	●	●		●										
	POLLUTION CONTROL			●						●			●										
other	SITE ASSISTANCE				●																		
	RECRUITMENT											●	●	●		●	●	●	●		●	●	●
	CUSTOMIZED TRAINING											●				●				●			●
	UPGRADING															●				●			
	SKILL TRAINING				●											●				●		●	●
	VOCATIONAL EDUCATION															●		●			●		
	SUMMER/ PART-TIME EMPLOYMENT															●		●	●		●		●
	TECHNICAL ASSISTANCE/ SUPPORT SERVICES	●			●				●	●						●	●	●				●	●

* BOSTON NEIGHBORHOOD DEVELOPMENT AND EMPLOYMENT AGENCY

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Personnel and Facilities – In addition to dollars, corporations have considerable know-how, equipment, and facilities that can be used in job development and training programs.

- Firms could lend expert personnel and training staff to help in designing and conducting more appropriate training programs that match the needs of local business and industry, as business has done for the PIC in Philadelphia, Pennsylvania.
- Firms might also provide specialized expertise to assist communities in developing linkage strategies, as a major developer did in helping Fresno County, California, develop a new marketing program for the county.
- Businesses might lend or donate technical equipment to public training programs or make their own specialized training facilities available to other users, as many high technology firms do in Santa Clara County, California.

Philanthropy – Corporate giving is expected to increase somewhat in the future, especially in light of encouragement from the President's Task Force on Private Sector Initiatives. Such giving could be effectively focused on jobs and training if linked to other public and community activities.

- Corporate and foundation grants could be used as seed money for development projects that seem likely to yield new job opportunities for minorities and other special groups, as Clorox has done in downtown Oakland, California.
- Major corporations could undertake "adopt-a-school" programs, as ARCO has done in Los Angeles, California, and Shell in Houston, Texas, to help improve public educational programs and curricula.

Using Local Policy Tools

Categories of policy tools include regulation, taxation, administrative reform, and public advocacy as well as traditional program activities. Examples of how approaches in each category can be used to address economic development and employment issues are provided below.

Regulation and Deregulation – Local governments can use traditional regulatory tools to permit trade-offs of public benefits in exchange for private sector agreement to train and hire the disadvantaged, as well as to ensure equitable treatment of special groups by the private sector. More flexible regulation or deregulation can also be used to reduce constraints on employment and encourage new private sector roles in meeting employment needs.

- Zoning modifications, code changes, and use of public land can be granted to firms in exchange for negotiated agreements to provide training and employment for the disadvantaged. For example, San Francisco, California, offers zoning bonuses to downtown developers who agree to hire income-eligible workers.

- Elimination of rigid licensing and certification requirements for facilities and service providers can open up opportunities that were formerly constrained by the cost of regulatory compliance (as in child care).

- Stronger antidiscrimination ordinances, such as Chicago's, can encourage work opportunities for minorities.

Tax Policy Change – Local governments are using their ability to levy and modify property and other taxes to provide incentives and disincentives to employers.

- Local tax abatements can be granted to businesses that agree to expand their plant and employ increased numbers of the disadvantaged, as Hartford, Connecticut does.

- Such tax abatements and deductions also can be used to attract new firms, which in turn can become involved in hiring agreements.

- Tax deferrals for income taxes (where levied) and property taxes can be provided for firms that train and/or employ special-need groups.

Administrative Reforms – Local governments traditionally conduct business and allocate resources in ways that assist or constrain private sector business activities. Redirecting the use of government procedures and resources can strengthen business and employment opportunities.

- Local governments can target their procurement processes (including both local and federal funds) to local firms that agree to train and employ the disadvantaged, as Dade County, Florida, is doing.

- Processing of building permits and licenses can be expedited and facilitated to help businesses begin operations and avoid costs and delays, as Portland, Oregon, did with permit streamlining.

- Land can be assembled by local government, using eminent domain or confiscation of tax-arrears property, to enable lower-cost economic development by firms that agree to employment goals.

Public Advocacy – Local governments can use their legal power to represent the interests of disadvantaged and dislocated workers by influencing public decisionmaking and private sector policies.

- Local government can help affirmatively market neighborhoods in urban areas to attract new economic development and job opportunities, as Boston is doing in its Dorchester neighborhood.

- Local government can influence regional and state decisions on allocation of funds for transportation development, to ensure that access to both suburban and urban job market is preserved (or increased) through various public review processes.

Taking Advantage of New State Initiatives

While states have long been active in economic development through state industrial development agencies and in human resource development through state employment services, many states have begun initiating creative approaches that supplement or replace traditional "smokestack chasing" programs of the past. Some of these initiatives can be tapped by local communities seeking to develop linkage strategies.

Developing Human Capital – Business and industry is increasingly acknowledging the importance of skilled labor as an essential ingredient to industrial competitiveness. As our economy continues to make the transition from the "smokestack" industries to more service-oriented and technology-based industries (or revitalized mature industries), investments in human capital will become even more important. In addition to its role in JTPA, states are developing other important human capital initiatives.

- A number of states now offer customized training to firms on a firm-by-firm basis. South Carolina has been a leader in this area using its community colleges, while Illinois and Indiana are examples of states which have initiated new programs in recent years.

- Other states have begun to help companies upgrade the skills of their workers to meet changing skill requirements. The most comprehensive initiative of this type is the California Worksite Education and Training Act (CWETA) which works with firms to develop customized on-site programs.

- Many states have undertaken education reform initiatives in response to the recent spate of studies critical of our education system. North Carolina has been especially active in this regard, using public-private partnership models to promote education reform in local school districts and emphasizing science and math skills so important to modern industy.

Promoting Technology Utilization – As it becomes increasingly clear that American business needs to stay at the cutting edge of technology innovation to remain competitive in international markets, many states have initiated programs to help promote the effective use of technology in both the factory and the office.

- Some states have established science and technology corporations or institutes to either help promote the use of technology to revitalize mature industries or help promote new industries. Indiana's Corporation for Science and Technology and Michigan's Industrial Technology Institute are examples of such initiatives which can hopefully promote new economic development and employment opportunities in these states hit so hard by the recession.

- Pennsylvania has established a unique program called the Ben Franklin Partnership which includes the provision of technical advice from universities and colleges in the state to industry about technology utilization, financial support for small business start-ups, and the development of small business incubators. The linkage task force in Chester County, Pennsylvania, is attempting to link with this state program to promote new and small business development in two steeltowns.

Encouraging Entrepreneurship – Recognizing that most new jobs come from the creation of new and small businesses, states are increasingly attempting to promote a supportive climate for entrepreneurship.

- Some have begun removing some of the red tape that hinders new business development, as in case of the Michigan Department of Commerce which has established a "one-stop" licensing center to streamline the permit and licensing process.

- A number of state universities have established small business development centers and innovation centers to aid and support entrepreneurs. The Iowa Innovation Program and the Wisconsin Innovation Service are examples of such initiatives which could be useful to local small development programs.

- A few states have begun innovative financing programs which include equity capital and venture capital programs. The Louisana Small Business Equity Program is an example of the former and the Indiana Corporation for Innovation Development is an example of the latter.

Making Use of More Flexible Federal Programs

Under the New Federalism of the Reagan Administration, the federal government has moved to make federal programs more flexible and more directly under the control of local and state governments. This presents an opportunity for local communities to be more creative in using federal resources to promote economic development/employment linkages. Key federal programs include UDAG, CDBG and JTPA.

Urban Development Action Grants – HUD's UDAG program is the single most important federal program for urban economic development. It involves a flexible use of public financial assistance and closer public-private interaction than any other federal development program. It also has explicit requirements pertaining to job creation for low- and moderate-income persons. It is important that these be implemented effectively with the full participation of the local employment and training agency to guarantee the maximum possible number of jobs for the economically disadvantaged and the productive role of employment and training resources in UDAG packages. UDAGs used in development projects can be tied to requirements that recipient firms hire local residents, minorities, and other special population groups, as St. Paul is attempting in its Energy Park project. Negotiations over the award of UDAGs also can be related to a firm's willingness to participate in the training and outreach programs of local PICs. Linkage can also increase the likelihood that jobs created will be appropriate for the community's unemployed population.

Community Development Block Grant – HUD's CDBG program remains the principal federal overall development program for localities, especially in light of reductions in other federal development programs. Historically, relatively little of CDBG expenditures was directed to economic development and job generation activity. However, this is changing and new opportunities exist for linking HUD block grant programs to jobs. Without special efforts to do so, job creation and job targeting opportunities will be lost. Amendments to the CDBG program allow for greater participation by private, for-profit firms. Such participation could be structured to promote economic development/job creation linkages. Grants or loans made under the CDBG program to local for-profit or nonprofit development corporations can be tied directly to local job development and training activities through employment plans.

Job Training Partnership Act – This replacement for CETA provides block grant funding to states which will be distributed by formula to local communities and used according to plans developed by Private Industry Councils and local governments. (See Exhibit 4 for more detail.) Business will have a larger say in the design of training programs through majority participation in the PICs. Many PICs intend to participate actively in selecting occupations for training, establishing criteria for training programs and monitoring results, increasing the likelihood that training will be responsive to business needs and the local economy. A much greater stress is being placed on training and on meeting performance standards. For the first time substantial federal funds have been made available to provide training and employment services to dislocated workers. JTPA provides new opportunities for linkages. Through JTPA employment funds can be integrated in overall economic development strategies in local communities if benefits to the disadvantaged are demonstrated. Private businesses can become more actively involved in training programs that will be designed to meet their development needs. Dislocated worker programs can strengthen economic adjustment efforts.

Urban Enterprise Zones – If enacted, the federal government's proposal to establish enterprise zones would provide another opportunity for economic development/employment linkages, especially in light of the strong role envisioned for state and local governments in these zones.

Exhibit 4

JOB TRAINING PARTNERSHIP ACT OF 1982

The Job Training Partnership Act (JTPA) creates a new public-private partnership in employment and training. For the first time, the private sector has equal responsibility with government in shaping federally funded job training programs. Through chief elected local officials and local Private Industry Councils (PICs), localities have flexibility to decide how funds will be administered and how programs will be managed. Funds are allocated to states in a block grant and at least 78% of state funds must be passed through to localities. The Act has five sections:

Title I sets up the state-local delivery system and delineates the public-private partnership:

- Service Delivery Areas (SDAs) are to be created in each state for preparing local plans and selecting local service providers. SDA boundaries are more consistent with other substate district boundaries and Labor Market Areas, making it more feasible to coordinate with other federal and state programs.
- Private Industry Councils in each SDA share responsibility for local programs wth local elected officials. A majority of PIC members must be business leaders--nominated by business organizations.
- A State Job Training Coordinating Council must be created to plan and monitor state employment and training programs.

Title II authorizes funding and sets requirements for local training services for disadvantaged youth and adults:

- Population groups that are eligible for training and employment assistance are defined.
- Limitations on the use of funds for administrative expenses, wages, and support services are established to guarantee that most of the funds will be used for training.

Title III establishes a separate state-administered program for dislocated workers.

Title IV establishes funding and requirements for federally administered programs: Native Americans, migrant and seasonal farmworkers and the Job Corps.

Title V amends the Wagner-Peyser Act and Social Security Act to foster coordination between the Employment Service and the job training system.

Moreover, a number of states have already adopted their own enterprise zone legislation. The state and local tax relief and regulatory relief provided to private developers in a zone might be directly tied to prospective job development and training opportunities for residents of the zone. Local Private Industry Councils could develop ways to link the new federal manpower program with the development activities of private entrepreneurs in an enterprise zone, as is being done by the Cleveland PIC in its enterprise zone.

Other Federal Resources – In addition to the primary HUD and DOL programs, there are a wide range of other federal assistance programs relevant to employment and economic development that could be part of a linkage initiative. The principal ones include: EDA's planning and development programs, the minority and small business development programs at the Commerce Department and SBA, and various development programs at the Department of Transportation, and special procurement programs at the Department of Defense.

Mobilizing Community Resources

Local nongovernmental, nonbusiness community organizations also need to be mobilized in addressing employment and economic development issues. They have both an important "grass roots" perspective and resources to contribute. Major resources include community self-help, volunteers, labor and other community-based organizations, and local foundations. Examples of how these resources can be used are discussed below.

- **Community Self-Help** – A growing number of self-help groups have been developed in recent years to provide assistance in job search. Job Clubs have succeeded in helping welfare recipients gain confidence and assurance in job seeking and have provided peer support during the difficult search effort. Group support efforts organized around job search have proved to be an important strategy in job placement activities, as recent displaced worker projects in California have demonstrated.

- **Volunteers** – Job development and placement activities have effectively used volunteers in helping to identify job openings and to match potential workers with those openings. The older person is an especially important resource for volunteer service. Programs such as SCORE (Senior Corps of Retired Executives) can be used in local economic development and employment linkage efforts. During plant closures, volunteers can play an especially important role in providing additional personnel for assessment, screening, and placement activities.

- **Community-Based Organizations** – Ranging from neighborhood organizations and churches to local development corporations and labor unions, these can help raise money and tap other community-based resources for new training and cooperative economic development efforts.

- **Local Foundations** – Private and community foundations can play important roles by providing support for innovative efforts to link employment and economic development efforts. Although resources are usually quite limited, they can serve to provide "seed" money and staff to help bring together other public and private resources, as the Cleveland Foundation is doing.

- **Local Development Corporations** – Various kinds of private, nonprofit LDCs have emerged as focal points for economic development programming, particularly in urban neighborhoods and smaller communities. New LDCs in Coatesville and Phoenixville – two steeltowns in Chester County, Pennsyvlania – have been the central points for linkage strategy development in their communities.

Important objectives, mutual benefits, interested actors and a variety of resources can add up to effective partnerships – but not necessarily. How are linkage strategies developed and carried out? In the next section a number of examples will be offered demonstrating how important employment/economic development goals can be achieved through linkage activity.

PART TWO: LOCAL LINKAGE STRATEGIES

OVERVIEW

A growing range of community objectives can be accomplished only through linkage strategies. Specific approaches used in different localities are presented in this part of the guidebook to help local leaders think through their own issues and possible strategies. Each issue discussion presents a brief review of the problem and a few approaches used to address it, as well as a case example of a specific linkage strategy used in one community which highlights some key lessons learned. The sample of local issues includes:

- Meeting the needs of hard-to-employ groups.
- Dealing with plant closings and retraining issues.
- Meeting the skills needs of local firms.
- Retaining existing business and jobs.
- Linking employment to downtown development.
- Attracting industrial development and new jobs.
- Promoting new and small business to create jobs.
- Promoting job linkage in rural areas and small cities.

In each of the above cases, a specific problem or objective is the focus of attention and activity. Frequently, however, an important underlying objective is the creation of institutional arrangements that will be the basis for on-going efforts to address employment and development problems. In the first subsection of this part, these institutional arrangements will be discussed.

This part focuses on only a few of the many employment and economic development issues facing communities and just a sample of creative uses of local resources to address these issues. It is not meant to be exhaustive. Rather, **the point of this part is to demonstrate that communities are indeed using a variety of creative approaches as part of linkage strategies on a number of different issues.**

NEW INSTITUTIONAL LINKAGE ARRANGEMENTS

Bringing together the diverse set of actors and resources described above requires a supportive set of institutional arrangements in a community. This involves both organizational arrangements among various groups working in these areas and processes for negotiating linkage agreements. As noted earlier, this need is especially acute in developing linkages because of the general lack of close ties between the CETA program and economic development programs in the past. Exhibit 5 lists some practical steps to take in developing more supportive institutional arrangements.

Exhibit 5

INSTITUTIONAL ARRANGEMENTS FOR LINKAGES

- Make coordination of employment and training activities and economic development activities a high priority in local policy.

- Initiate joint staff training and staff exchanges among education, training, and development agencies.

- Appoint individuals with broad perspectives and diverse viewpoints to key policy-making boards.

- Appoint knowledgeable "brokers" or liaisons in key agencies to deal with counterparts in other agencies.

- Develop mechanisms for exchanging ideas and information among various organizations involved in linkages.

- Explore joint projects involving business, government, the PIC, the schools, and community organizations.

- Establish a public-private team for strategy development on employment and training and community and economic development issues.

- Conduct joint marketing of both employment-related and economic development incentives to attract developers and assist the hard-to-employ.

- Establish formal linkage mechanisms such as hiring agreements with firms receiving development aid.

- Seek out neutral forums and facilitators to help negotiate joint efforts.

Organizing for Linkages

Although there is no one best model for organizing for effective economic development/ employment linkages, it is clear that a cooperative working relationship among various units of local government involved with the issues is critical. The implementation of JTPA provides local opportunities to rethink the organizational arrangements for encouraging a cooperative climate. Previous research by the National Council for Urban Economic Development identified a range of options that cities had used to successfully coordinate employment and economic development programs:

- **Separate and Cooperative Organizations** – Both programs retain independent agencies. One or more employment and training staff are usually stationed in the economic development office to act as employment and training brokers for new or expanding businesses. New York City, Chicago, Cleveland, Jamestown, New York, and Milwaukee all have used some variation of the broker concept.

- **Jointly Funded Organizations** – Employment and training and other public resources are combined to fund a separate organization to administer part of the economic development program. The funded organizations tend to be private sector oriented. Both Fresno and Anaheim, California, have this arrangement. In Fresno, the PIC granted funds to the local chamber of commerce to establish a local development corporation. In Anaheim, the PIC funded a portion of the budget of a new economic development corporation.

- **Integrated Organizations** – Employment and economic development agencies are merged into a single organization. This tends to occur in cities where the public sector plays an active role in development. San Antonio's Department of Employment and Economic Development is an example of an integrated organization.

In addition, the Employment/Economic Development Connection project identified two other models.

- **Coordinating Groups** – In this arrangement, existing employment and training and economic development organizations retain their autonomy but come together in a formally constituted coordinating body to consider issues and exchange information. In Chester County, Pennsylvania, for example, the County Board of Commissioners established the Chester County Economic Development Consortium to bring together all relevant agencies in these two areas. The Consortium meets monthly to review activities and projects and share information. Its first chair was the staff director of the County's Office of Manpower Development thus assuring a strong employment and training input into the group. Another type of group in Akron, Ohio is described in Case 1.

- **Ad Hoc Groups** - In this arrangement, less formal linkages are established to bring together the relevant parties. Possibly, a community does not feel ready or see the need for a formally constituted group but recognizes the desirability of information exchange. Thus, the Fresno County Employment/Economic Development Connection Task Force which was formed for this demonstration project has continued to meet on a regular basis. It has no formal standing in the county and attempting to formalize it might raise difficult "turf" issues. But, because its members have found the process useful, they continue to meet on an ad hoc basis. In Lee County (Tupelo) Mississippi, the Council of Governments has taken the lead in establishing a county-wide task force to develop linkage projects.

Obviously, no single approach works in every community. The particular approach should be determined by local history, economic and labor conditions, and political constituents. What is important to recognize is that the organization of economic development and employment activities directly affects the ability to forge effective linkage strategies.

Initial arrangements made to implement JTPA at the local level reveal widespread attention to the economic development link. A survey carried out by the National Alliance of Business late in 1983 found that 187 SDAs (out of 583 respondents) intended to establish financial and/or nonfinancial agreements with local economic development organizations. These agreements cover matters such as sharing resources, conducting labor market surveys and employer outreach studies. Twenty SDAs reported that an economic development organization will be either grant recipient, grant administrator or both.

Negotiating Linkage Agreements

Reaching agreement on linkage activity will involve negotiations between the public and private sectors concerning the training and hiring of the disadvantaged. The following four innovative approaches have been used by cities to help bring together public and private resources for job creation.

- **"First Source Agreement"** - Under this type of agreement, local businesses agree to consider on a first source basis persons referred to the businesses by local employment and training agencies. Cities can negotiate trade-offs of zoning or land use approvals (governance tools) for agreement by business to consider disadvantaged workers. Cities also can use CDBG or UDAG funds to leverage local business acceptance of a first source agreement. This tool can thus be viewed as a potential "glue" to bind public-private resources in an employment/economic development linkage effort.

- **Negotiated Investment Strategy Experiments** – These experiments, in St. Paul, Gary, and Columbus, were sponsored by the Charles F. Kettering Foundation and involved three teams representing the local communities, state governments, and the federal government. Agreements concerning public and private investments were negotiated with the assistance of an outside mediator. In these cities, specific agreements on urban development were reached involving commitments from both government and business. Economic development projects developed as part of these agreements in Columbus and St. Paul included employment set-asides for CETA eligibles. The most important aspects of the Negotiated Investment Strategy for employment/economic development linkage efforts are the formal process for negotiating a set of trade-offs between business and government as part of an overall package and the value of mediators in helping parties to come to an agreement.

- **Public Policy Statements** – Moving beyond project-specific agreements, as described above, a community may wish to issue a formal policy statement endorsing the linkage concept. The Contra Costa County, California, Board of Supervisors adopted such a policy. While not mandating linkage in every development project, it indicated that the county would give priority on land use changes and economic development assistance to developers who agree to hire unemployed and disadvantaged county residents.

- **Cooperative Agreements** – In addition to new organizational arrangements, the employment and training and economic development agencies in a community may find it useful to negotiate and develop a formal cooperative agreement. Such an agreement can spell out their joint objectives and working arrangements to achieve linkage. Employment and training and economic development agencies in Cleveland/Cuyahoga County, Ohio negotiated such an agreement after the passage of JTPA.

Case 1

THE AKRON AREA JOINT ECONOMIC COUNCIL: AN AREA-WIDE LINKAGE INITIATIVE

Akron, Ohio, is attempting to make the transition from its traditional heavy manufacturing economy as the "rubber capital of the world" to a new and more balanced economy. It was one of nine communities which participated as a demonstration site in the Employment/ Economic Development Connection project.

When the project began, a local working group identified the need for better information exchange and coordination among the area's institutions concerned with the employment and development future of the area. Rather than take the typical step of carrying out a study, the working group created the Akron Area Joint Economic Council. This is a public-private forum for pooling information, identifying the most significant economic conditions, conducting an analysis on the area's economy, and developing shared views on the implications of current economic conditions and likely futures for local development and employment activities.

The AAJEC is composed of directors of the area's economic development and employment and training agencies; representatives of the school systems, organized labor, and the academic community; and persons from key local institutions such as banks,the real estate industry, and major corporations. These major "Stakeholders" not only have a great deal riding on the future of the area's economy, but among them they possess substantial information that, if pooled, can benefit all. The objectives of the AAJEC are to:

- Identify, aggregate, and share the best available information on the Akron area economy, present and future.
- Subject the information to the scrutiny of the best informed and most experienced observers in the area.
- Identify the most significant information needs of the Akron area and develop ways of meeting those needs.
- Use this information to produce a common ground for coordinated policies and programs in the Akron area.

The AAJEC was organized in response to a call from the Mayor of Akron, the Summit County Executive, the President of the University of Akron, and the President of the Akron Regional Development Board. The Executive Director for Planning and Development of B.F. Goodrich serves as its first Chair. The Center for Urban Studies at the University of Akron provides support.

Clearly, other areas have formed groups of this sort and more will likely do so in the years ahead. However, the Akron Area Joint Economic Council is noteworthy in several respects:

- It is a top-level group of the key institutions which generate jobs and prepare people for jobs in Akron. Thus, it can potentially utilize new information and tap local resources in more productive ways than other information-sharing groups.
- It can serve as a vehicle for developing a more consistent view of the local economy and a consensus vision of its future, thereby improving the chances for coordinated investment decisions between the public and private sectors.
- As a broad-based group, it can bring new information and perspectives into the planning and decision-making process, which heretofore, may have been missing.
- It can serve as a public-private negotiating forum that can generate cooperative action.
- Finally, as an ongoing, rather than one-shot group, it can bring a continuity of understanding of the region's economy, its strengths and weaknesses, trends and directions that is currently missing in most communities.

MEETING THE NEEDS OF HARD-TO-EMPLOY GROUPS

Creating employment opportunities for the members of groups that suffer disproportionately from structural unemployment is a difficult local challenge. It requires an understanding of their characteristics, a knowledge of the local labor market, a strategy for increasing skills and meeting human service needs, a plan for linking capable persons with existing jobs, and a means of stimulating new businesses that can absorb the population group. Contra Costa County, California has developed a comprehensive strategy for making a larger percentage of jobs in its high-growth areas available to members of hard-to-employ groups (Case 2).

Working with Community-Based Organizations to Identify Those In Need

The hard-to-employ groups are often not well identified, and they are rarely affiliated with local employment programs. Community-based organizations can play an important role in helping to locate these people and in helping them find and prepare for work. In San Antonio, the Mexican American Unity Council (MAUC) helped define the needs of the Hispanic population of San Antonio and worked with a major hotel to provide work in the construction and service jobs resulting from the hotel development. Wilmington, Delaware's Womanpower program gives eligible women classroom, hands-on, and physical conditioning training to equip them for non-skilled entry-level jobs in traditionally male professions.

Partnerships for Job Preparation

Special groups frequently need special help in preparing for work, such as refugees who need to learn English. Providing this help may require development of special work and education arrangements between business and the school system. In Santa Clara County, California, a roundtable comprising high-technology businesses, the school district, and a refugee self-help organization agreed that the school would permit flexible use of English as a Second Language courses, if the refugee organization would identify job ready students and if local firms would employ those prepared to work.

PIC Roles in Meeting Human Service Needs

People may continue to be unemployed even after education and training because they have work-related service needs. In some cases this may require help in understanding the culture of work or help in finding housing, transportation, or child care. The PIC in Prince George's County, Maryland, developed a "life skills" program for welfare mothers as part of a work preparation initiative with private firms. In Boston, the local CETA program worked with a local firm to develop a child care project that helped CETA eligible workers reduce work-related expenses.

Roles of Community-Based Organizations in Stimulating Job Development

In some communities, employment of those usually left out of the labor market can be linked to development of new enterprises. Small businesses can be assisted and used to create jobs for residents of troubled neighborhoods. TELACU, a community development organization in east Los Angeles, has used its resources from public program funds and other ventures to start small businesses in the Hispanic community. For example, a small furniture company was started to provide entry-level employment for local residents with little work experience.

Case 2

AN ECONOMIC DEVELOPMENT ASSISTANCE STRATEGY FOR THE LOW-INCOME AND UNEMPLOYED IN CONTRA COSTA COUNTY, CALIFORNIA

Contra Costa County, California, was another of the nine demonstration communities in the HUD-sponsored Employment/Economic Development Connection project. Located in the San Francisco Bay Area, it is one of the fastest growing counties in California and the site of considerable service industry and office growth by firms based in San Francisco and Oakland. The number of jobs in the county grew by almost 45% between 1972 and 1982.

In spite of this strong growth, there is still a substantial number of county residents who are not benefitting from this growth. Most of the new development is occurring in the southern and central parts of the county, while most of the county's unemployed and low- income residents (many of whom are minority) are located in cities such as Richmond and Antioch in the western and northern parts of the county. Thus, the challenge facing Contra Costa County is how to help ensure that disadvantaged residents in the county truly benefit from the private sector development now occurring.

The working group in the county established for the demonstration project was chaired by a key county supervisor. This group, under the supervisor's leadership, produced an economic development assistance strategy which was designed to maximize the placement of unemployed and disadvantaged residents into private sector jobs created by local economic development projects. This will be accomplished by giving highest priority to those public investment projects or zoning decisions which provide assurance that jobs will be filled by unemployed or economically disadvantaged residents.

The project working group recommended to the County Board of Supervisors a policy statement which outlined the objectives of the policy and the means for achieving the linkage between public funding and regulatory decisions, and private sector job development. The policy statement was adopted by the Board of Supervisors and it instructs county agencies to give priority to businesses that agree to hire the unemployed and disadvantaged.

For example, a developer considering two sites for a new plant would be given priority treatment and expedited processing if the site chosen was adjacent to an area with a high percentage of unemployed county residents. Or, a business applying for a low-interest CDBG-funded loan from the county's development office would be given preference in the approval process if it agreed to hire PIC trainees for some of th new positions to be created as a result of the loan and agreed to keep the PIC informed of its recruiting needs.

This policy provides a concrete means for the county to help meet the employment needs of special groups that were not otherwise benefitting from its economic growth. It does not mandate that private sector firms hire these people, but gives them an incentive to do so through creative use of public funding and regulatory decisions.

DEALING WITH PLANT CLOSINGS AND ECONOMIC ADJUSTMENT

Reducing the impact of plant closings on individuals and the local economy is a priority that has been forced upon many states and communities. Their potential resource base has been greatly expanded by Title III of JTPA. Title III, also known as the Dislocated Worker Program, authorizes assistance for experienced workers who have lost their jobs permanently due to technological displacement, foreign competition and other economic changes. Specifically, Title III provides federal funding to states for services aimed at re-employing the victims of displacement.

The most important feature of Title III is its flexibility – states are given very broad authority over how the program is planned and administered. Funds can be provided to companies, unions, private industry councils, local governments, and vocational schools for training, counseling, job search, transportation, social services, pre-layoff assistance, and other activities. In general, because experience with dislocated worker programs is very limited, the intent of the law is to give states the opportunity to experiment with different approaches.

Some states have delegated the major responsibility for planning and implementing adjustment programs to the local level. Private industry councils, units of local government, community colleges, state labor agencies, and other local entities operate many dislocated worker programs. Even in cases where the state retains primary responsibility, local coordination and planning is an essential ingredient of a successful effort.

Private sector strategies for handling dislocation vary widely. More than ever, companies and unions are working together to prevent and cope with worker dislocation. For example, labor-management committees formed at the plant level and also at the corporate-international level increasingly spearhead worker adjustment programs. Many labor-management agreements address worker dislocation, retraining, and re-employment concerns. Companies and unions now face the challenge of implementing such agreements.

Experience shows that a broad range of relevant activities can be carried out by government working together with business and labor. The advance preparation of teams of business, labor, government, and community-based organizations to rapidly provide needed assistance to hard-hit communities and employees can often lessen the impact of plant closures on local economies. In some instances, assistance has been focused on mobilizing the parent firm of the closing plant, the unions representing the displaced employees, and other local business and government agencies to study labor market needs in the area, assess the skills of displaced workers, provide employment placement services, develop job-seeking skills, and foster mutual support groups for those who may suffer from the stress of losing their jobs.

Economic development and employment and training programs can be linked in a variety of ways to deal with plant closings. Early warning systems can flag problems before they become critical and efforts can be made to either save the plant in question or begin to

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develop alternative employment opportunities. Following a closing, linking job creation activities directly to the dislocated workers can be critical to their re-employment.

Mobilizing a Public-Private Mitigation Team

Most communities do not have the time or resources to maintain a permanent capacity to track, and anticipate plant closings. However, many organizations could play an important role in mitigating the impacts of plant closure. State governments can organize their employment and economic development agency staffs to provide assistance to local communities when a plant closing is about to occur. They can help by bringing local business and government groups together to address the new issues, and by preparing packages of materials describing state assistance and outlining local steps that can be taken.

The State of California has created the California Economic Adjustment Team (CEAT). CEAT consists of the directors of the leading state agencies and institutions that provide services vital to the economic adjustment process following permanent plant closings or large lay-offs. One of the key elements is re-employment assistance to dislocated workers. Formalized by state legislation in 1982, the team has three primary areas of activity: early intervention to prevent closure or minimize its impact; plant closing services to affected workers; and ecnomic recovery for affected communities. The multi-departmental approach enables the represented agencies to pool their resources and coordinate community, company, and labor services to develop comprehensive programs for workers and their communities.

In California, local committees of different types have been organized to address the problems of displaced workers. In Hayward, for example, the Mayor was a key figure in bringing together the public and private sectors. In Southgate, California, the local committee involved primarily the union, local employers, the CETA prime sponsor, and the state. In Eureka, California, a church, labor, and government partnership was created, with state assistance. More often than not, the initial leadership of a displacement mitigation committee will play a crucial role in identifying other key persons and organizations, such as the PICs, chambers of commerce, schools, and local government agencies, that can play supportive roles. The work of the Mayor's Task Force on Plant Closings and Job Retraining in Des Moines, Iowa, (Case 3) is a good example of a comprehensive effort.

Analyzing Labor Markets and Worker Characteristics to Assist Placement

Government and business can work together to develop information about growing industries, and gather information about the types of skills in demand that are similar to those of displaced workers. Whether it is a state agency that studies regional labor markets or a chamber of commerce that examines job markets, this step is often the first action taken after organizing a team of officials. California's Department of Employment Development, in conjunction with other state agencies, including the Department of Economic and Business Development, the Department of Industrial Relations, and the Office of Planning and Research, helped analyze leading and lagging economic sectors in the state, formed the California Association for Local Economic Development, and developed a reporting system for plant closures and mass layoffs, as well as a labor market information data base to help match skills of displaced workers with existing job opportunities. Part of an ambitious broad-scale effort to respond to the closing of the Crucible Steel plant in Midland, Pennsylvania, was an "outreach study" conducted by Carnegie-Mellon University to gather information on the characteristics of the local workforce.

Providing Guidance to Displaced Workers Using Community Resources

To reduce the confusion and trauma that occur among displaced workers when plants close, state and local governments have developed local committees that provide initial orientation and on-going support to laid-off workers. In some cases, states have passed legislation that requires firms to provide advance notice and assistance to those workers that will be displaced. More than 10 states require that government and employees be notified when a firm is to close or relocate. Even with advance notice, however, the reality of being laid off can be paralyzing when it sets in. To prevent a dislocated worker from dropping out of the workforce entirely, information should be provided on the services available to the individual and his or her family and counseling should be available if needed. Those workers participating in the Metropolitan Re-employment Project in the St. Louis area can meet with an outplacement counselor as frequently as necessary. In addition to providing useful information on re-employment possibilities and how to go after them, those sessions provide emotional support and allow the laid off workers to vent anger and frustration. Dislocated workers in Fort Wayne, Indiana, can attend workshops which help them cope with the psychological, social and financial problems of unemployment as well as assist them in their job search. In a number of communities, local banks have worked with dislocated workers to help them make financial plans, including flexible repayment schemes to reduce the stress of dislocation.

New Roles in Assessment and Job Search Assistance

Once local committees have been organized and employees briefed on services available, direct services can be offered to those in need. A first action typically taken by collaborative groups is the assessment of worker skills. This is usually combined with placement assistance. A strong emphasis is usually placed on having people familiar with the workers play a role in this process.

In Los Angeles, preclosure notification and job placement assistance were used when a major electrical product plant closed. Company representatives working with the state's job developers, sought out job contacts and personally contacted other firms to find placements. Prospective employers were invited to the plant before closure to discuss the qualifications of employees for other occupations.

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An approach used in many communities is the job club and self-directed job search, whereby dislocated workers are provided with assistance in resume writing and job seeking techniques. Cambridge, Massachusetts, was one of the first communities to develop such an approach. The highly successful dislocated worker program of the Downriver Community Conference in Wayne County, Michigan, also uses this approach, as do the two dislocated worker centers in Chester County.

In St. Louis, job shop participants attend a one-day training session held at the community college, a union hall, or on a company's premises. Through lectures, slide presentations, films, and individual counseling sessions, workers learn to prepare resumes and write job application letters, make phone calls for job leads, and interview for a job. Films show the right and wrong way to behave at an interview, and participants who volunteer are filmed in a mock interview. Each participant receives 10 copies of his or her resume at the end of the day.

The job shop also provides an introduction to job search strategies. Participants learn about the kinds of jobs available in St. Louis and the changes occuring in the job market, how to find information about a particular company, and how to use networking to find jobs not advertised.

Training and Retraining

A major problem for many displaced workers is that they do not have skills needed by existing employers. Important steps that local committees have taken include determining what retraining resources are available in the community, and how to use these resources to provide appropriate training. Title III of JTPA has filled an important need in this area.

In addition to job search assistance, dislocated workers may need to strengthen basic and specialized skills. Classroom training, OJT, or customized training programs tailored to local circumstances may be needed. In Midland, Pennsylvania, for example, an adult education program prepares dislocated workers, who do not have high school diplomas, for the GED. Arizona's statewide dislocated worker program typically offers classroom training through community colleges and OJT with small companies for workers who already have a skill and simply need a brief upgrading.

Where plants are being modernized, upgrading can prevent workers from being dislocated or bring them back into the workforce. In the Atlanta, Georgia, area the Ford Motor Company is undertaking a tremendous expansion project that will include state-of-the-art manufacturing processes. Workers laid off by Ford as long as five years ago will undergo customized training for re-employment.

Job Creation

What dislocated workers need most – as do other unemployed persons – is a job. Presumably, economic development programs stimulate the creation of jobs, but where the objective is the re-employment of dislocated workers the connection should be direct and clear.

Self-employment is one possibility. In Lane County, Oregon, the Business Assistance Center helps dislocated workers set up small businesses. The center provides individual counseling, along with workshops on such topics as marketing, taxes and business accounting. Part of the employment generation strategy of the Downriver Community Conference is helping small businesses to successfully compete for defense contracts.

Kellogg, Idaho, located in the one-industry Silver Valley, is seeking diversification in response to mine closings with the help of federal and state funds. The Panhandle Development Corporation in Kellogg has made loans to three companies. The area is also working to generate increased tourism as a route to economic growth.

Case 3

RESPONDING TO PLANT CLOSINGS IN DES MOINES, IOWA

In early 1981, two major Des Moines area firms announced plans to shut their manufacturing facilities. The closures of Massey-Ferguson, Inc., a machine parts producer, and Wilson Foods, Inc., a food packaging operation, would idle nearly 1,200 workers. Studies by local unions predicted additional closings in the coming months which would result in another 3,000 layoffs.

Alarmed by these numbers and the lack of suitable job opportunities in the area, representatives of the South Central Iowa Federation of Labor (AFL-CIO), the Central Iowa Private Industry Council, Massey-Ferguson, and Wilson Foods asked the Mayor of Des Moines for help. Within days, the Mayor had appointed 55 prominent business, government and labor leaders to his Task Force on Plant Closings and Job Retraining.

The Region XI Dislocated Worker Center evolved out of the Mayor's Task Force. The task force identified employment and retraining opportunities and authorized the creation of two displaced worker transition centers to provide counseling, high school equivalency classes, and job search assistance to laid-off workers. The program separates workers who have skills needed by area employers from those who do not. The first group receives job search assistance. The second group receives retraining as well as job search assistance.

At the outset the task force set the following goals:

- Determine the impact of plant closings on Des Moines and the surrounding eight counties.
- Project occupational growth areas.
- Identify funding and other resources to aid displaced workers.
- Provide centers where affected workers can receive counseling, job search and placement assistance, and referral to other serivces.
- Assess the skills of the displaced workers.
- Develop and implement job training programs.
- Develop job opportunities.
- Oversee programs and monitor their results.

Like the Mayor's Task Force, the Region XI Dislocated Worker Center operates under the auspices of the United Way of Central Iowa and the Job Training Partnership Act. In 1984 it will receive $434,152 of JTPA Title III funds. It is staffed by a project director, counselors, and an information specialist.

An average of 82% of those who have participated in the program have found new jobs within a year of their termination.

ADDRESSING SKILLS SHORTAGES

Different regions of the country and particular industries will face skills shortages in the 1980s as the demand for technical jobs exceeds the available supply of trained workers. This situation is due partly to the accelerating pace of technology and its application in industry, partly to inadequacies in our education and training systems, and partly to changing demographics. Areas where high-technology industries have been growing, such as the Silicon Valley and the Boston area, report job openings for engineers, scientists, and technical personnel that are going unfilled. At the same time, a recent survey of U.S. corporations found concern among businesses that schools are not adequately training students in needed skills. Businesses are concerned about training for both technical (math and science) skills and basic (reading and writing) skills. Regions or industries that cannot find an adequately trained labor force risk the possibility of lower growth than would be possible otherwise.

A variety of alternatives are available locally for addressing these problems. One of the most obvious, and one being followed in a growing number of localities, is for business to work more directly with public schools to address their training needs as has been done through the Boston Compact (Case 4). Businesses can also work with local governments and PICs to create special skills centers that train for their needs. This customized training tailored to the needs of a particular firm or industry is a type of activity strongly encouraged by JTPA.

Business Working with Public Schools

Most public schools are experiencing tight budgets and stable or declining enrollments. Teacher pay and recognition are low and curriculum and standards have been eroded. Businesses increasingly have become more directly involved in local schools through the loan of executives to improve management, released time for employees to teach, donations of equipment, or "adopting a school." In Tupelo, Mississippi, a linkage task force developed an "adopt-a-school" program linking businesses and employees with principals and teachers to improve educational achievement in that community. In the Silicon Valley, high-tech firms concerned about the quality of local education are planning to go an additional step and help establish a "high-tech" high school that would train students in computer technology. A survey of these firms found that businesses are willing to help design curriculum, contribute computer equipment, provide employees to teach, offer teacher training, and provide students with jobs during the summer prior to graduation. Although the firms are willing to provide some financial assistance, they see these types of more direct involvement as critical ways to ensure that the "high-tech" high school serves their needs.

Creating Special Skills Training Centers

When special skills are needed that the public school cannot provide or that involve retraining persons beyond high school age, some communities have established special skills centers. In Springfield, Massachusetts, the CETA program in 1975 established a Regional Skills Center to train workers mainly in electronics and machine skills. Today, the skills center, operating through a public-private partnership, has over 2000 participants annually. The skills training is designed to meet the specific needs of local industry.

Redesigning Technical Education to Meet Business Needs

Although all states have some type of vocational and technical education program, South Carolina has made special efforts to tailor its Technical Education System to meet the training needs of business. Established over 20 years ago, this technical training system has been a major factor in the state's recent economic growth. It was founded on the realization that the state had to provide its population with skills if it was to become competitive in attracting industry. Two components were created: Special Schools, established to quickly meet the needs of specific industries, and a statewide network of technical education centers to provide large numbers of highly trained technicians.

When an industry indicates it will locate in the state or expand existing operations, Special Schools staff identify training needs, develop instructional materials, set up training, hire instructors, and recruit and train workers from the local population. When the plant opens its doors, trained employees are ready to work. Technicians are trained at the state's 16 two-year community colleges. To meet current demands for high technology jobs, five high-tech resource centers have been opened at technical training centers.

Case 4

EDUCATION FOR JOBS IN BOSTON, MASSACHUSETTS

The Private Industry Council in Boston helped facilitate a "compact" between local business and the public schools in which businesses agree to certain hiring commitments if the schools increase the skill levels and percentage of their graduates.

Boston has been experiencing exceptional job growth since the late 1970s due in large part to the expansion in high technology and service/financial industries. Service employment has been expanding by about 7% a year within the greater Boston area, compared to 1.8% nationally. However, businesses have expressed concern about an emerging skills shortage in technology fields. The quality of the Boston public schools has declined in recent years, as measured by student performance and the skill level of its graduates. Concerned business leaders began meeting with school officials in 1982 to find ways to address this problem. These discussions led to the "Boston Compact" between schools and business in which both sides agreed to commit themselves to the following goals:

- A 5% increase per year in the number of students who graduate as compared with the number who enter ninth grade.
- By 1986, all graduates will demonstrate the reading and math skills necessary for employment through achievement of minimum competency standards established by the School Committee.
- A 5% increase per year in the number of graduates placed in jobs or in further education.

The school system agreed to specific improvements in curriculum, technical education, career preparation and computer literacy. The business community agreed to participate in a priority hiring effort to place 400 qualified seniors in jobs on graduation and increase summer jobs programs by 33%. The PIC is the intermediary in helping negotiate the priority hiring plan for students which the schools certify have achieved basic skill levels. A detailed Operational Plan was negotiated which set out specific school and business action in career counseling, remedial education, curriculum design, vocational education, computer literacy, and school management assistance.

What is unique about this "Compact" is the way it explicitly establishes the necessary tradeoff between business and schools for achieving improvements in performance. It is clearly in the interest of both the schools and business to enter into such an agreement since both sides can "win" in this situation.

RETAINING EXISTING BUSINESS AND JOBS

Local governments are becoming increasingly active in retaining existing business. Maintaining and expanding the current employment base should be a top priority for employment/economic development linkage programs. The retention of business requires that local governments recognize their stake in local enterprise and their share in responsibility for its success. Cities and counties aware of the array of factors that can influence the health of business have started to use their resources and relationships with business in new ways. Local governments are concerning themselves with a wide range of issues related to operating costs and capital improvement. Issues such as labor-management relations and ongoing liaison with businesses have become important to mayors and other elected officials. The effects of local regulations, such as zoning and traffic laws, are also receiving greater attention. Special efforts to upgrade workers' skills to meet business needs can be important. Public investment in infrastructure, such as roads and bridges, has often been essential to renewed business vitality. Some communities have even gained expertise in helping local firms improve their marketing and enter export markets. In such cases, local government can use its business retention strategies as a way of creating employment opportunities for the local unemployed population.

New Mechanisms for Improving Labor-Management Problem Solving

Many communities, particularly in the industrialized northeast and midwest, have a history of labor-management conflicts. In some places, intransigence on both sides has further complicated an already unsteady economy. Labor-management conflict can not only drive out firms, but also stigmatize the community itself, reducing its attractiveness to both existing and new firms. The need to resolve labor conflict has led some local governments to intervene. A classic instance of such an effort occurred in Jamestown, New York. The Mayor of Jamestown took unprecedented steps to mediate long-standing problems and create a mechanism through which labor-management issues could be resolved in mutually advantageous ways. The Mayor established a city-wide Labor-Management Council to review broad issues and set up an individual labor-management council in each firm facing problems. This action helped to involve labor in problem-solving, producing lower wage demands and productivity improvements in exchange for profit sharing, future wage increases, and a share in making certain decisions. The incentive for labor participation was job retention; the incentive for management was to avoid the costs of moving an existing operation to a nonunion state. Governments in other communities, such as Buffalo, New York, have also initiated labor- management councils that have been helpful in business and job retention.

Reducing Red Tape Through Regulatory Reform

Both small and large businesses are affected by local regulations, such as zoning and traffic laws. These local policies might limit the development of land or expansion of facilities, or the ability of customers to find parking to patronize a store. Some communities have started a review of the effects of local laws and regulation on their businesses and are revising them in appropriate ways. San Francisco completed an analysis of regulatory impacts on all its neighborhoods, as did Boston, New York City, and Portland, Oregon. Either as part of their Community Development Block Grant program, or as a separate local revitalization program, these communities tried to find ways to make doing business easier for firms in their communities. Through these approaches, jobs can be saved while at the same time employers can be convinced to collaborate in programs to hire the unemployed.

Upgrading Skills to Help Retain Firms

Older firms lose skilled workers over time as their employees retire. This loss has often reduced business productivity and made firms less competitive. Training workers to upgrade their skills can help prevent outmigration of local businesses. In many instances, efforts to retain local business have linked training and upgrading of skills, as well as placement of income-eligible workers to new jobs generated by expansion. In Chautauqua County, New York, expanding firms that received local aid were linked to CETA programs, where special skills training programs were used to channel CETA workers into permanent, nonsubsidized positions.

In Broward County, Florida, a CETA-sponsored upgrading program resulted in promotions of workers and creation of new positions for other income-eligible workers with less skills. Milwaukee, Wisconsin, also has a program with a local employer to upgrade skills. Jamestown and Chautauqua County, New York, have used a variety of resources to help firms improve skills of existing employees (Case 5). The Chautauqua County Industrial Development Authority (IDA) launched a skills development program, which it jointly operated with the local community college and the county's two Labor Management Councils (LMCs). IDA annually contributed funds, sometimes augmented with federal training money, for in-plant upgrading and skill improvement programs. The PIC had responsibility for on-the-job training, upgrading, and vocational skill training. It utilized an Employers' Curriculum Committee to set up and evaluate skill training programs. Recognizing that the aging of the labor force could create labor shortages in the near future, the committee planned courses in key areas where skills were needed – sheet metal working, woodworking, drafting, and blueprint reading, as well as basic skills. Most instructors were retired workers or staff from the community college. LMC funds came from local unions, firms, and local government. The LMCs also serve as brokers in the skills development process by identifying needs, devising curricula, and arranging for instructors from training facilities.

Private Sector Roles in Identifying Business Needs

Before local governments began to carry out economic development planning or revitalization programs, very few communities had direct communication with existing firms about their special needs. Too frequently local officials discovered that a business had a problem only when they read in the newspaper that the business had moved or closed. Now, as the vitality of existing businesses becomes a major concern, local governments are instituting special programs to consult with individual firms about their needs. In some communities, such as Jamestown, a formal business visitation program was developed with private sector staff. There, as in Boston and Los Angeles, local officials contacted firms directly about their needs. In Dayton, Ohio, a formal business satisfaction survey funded by CETA led to a local retention strategy. A linkage task force in Fresno County is developing a similar survey using state JTPA funds. It will help identify potential employment and training opportunities in existing firms. In Tupelo, Mississippi, TVA funds were available to help develop an innovative program that surveyed local businesses, identified future job needs and established special training programs (including one in robotics) to meet those needs. A business visitation program in Akron, Ohio, is coordinated by the chamber of commerce and involves all of the area's major development, employment and educational institutions.

Targeting Public Resources to Reduce Business Costs

Excessive business operating costs are a frequent cause of relocation. In older communities, or communities with less developed businesses, helping existing firms to reduce operating costs can strengthen the local economy. In communities with development commissions or authorities, such as Pittsburgh and Buffalo, efforts to improve important resources, such as roads, sewers, bridges, and flood control services, were important for reducing costs. Loans and public projects were used to improve existing amenities. In some cases, filling potholes was essential to helping firms receive and deliver goods. Sometimes help has been provided to firms to improve their own facilities. This was done in Boston through tax-exempt revenue bonds allocated for small expanding businesses. Ideally, the use of public resources for these purposes can be tied to private commitments on employment and training.

Case 5

BUSINESS AND JOB RETENTION IN CHAUTAUQUA COUNTY, NEW YORK

Chautauqua County, New York, created a unique labor-management council to package a series of economic and employment assistance programs to help stem the outmigration of business and jobs from the county. The county, which includes Jamestown, adopted several of the models of linked economic assistance and employment development that had been successfully used in Jamestown to help stop the deterioration of capital stock and outmigration of business.

The county began to issue tax exempt industrial revenue bonds in 1972 and assisted 14 firms over 7 years, retaining 2,900 jobs. Funds were used to help employees purchase a closing steel plant, as well as to make 17 small loans to firms. Labor-management councils helped resolve conflicts and negotiated training and placement programs for firms that identified labor needs through the labor-management councils.

The combination of the County and City Labor-Management Councils and the industrial development and revitalization programs, linked to employment and training programs, have created a favorable climate for assisting existing firms and attracting new ones. Experience in both Jamestown and Chautauqua County suggests that a firm basis for sharing interests and problems between government, labor and management is needed, and that formal mechanisms for translating these understandings into assistance are essential. Furthermore, these mechanisms are important ways to accomplish local retention objectives.

As in so many other cases, the leadership exerted by local public officials and their willingness to work with other local actors have been key factors of success. In this case, it took a local crisis involving plant exodus and labor tensions to stimulate constructive local action. However, in other cases, more proactive strategies may be appropriate before the crisis stage is reached.

LINKING EMPLOYMENT TO DOWNTOWN DEVELOPMENT

Even extensive downtown development is rarely linked with employment opportunities for the local JTPA-eligible population. Downtown development often involves numerous small establishments with only a few employees and white collar jobs, seemingly unsuited for the economically disadvantaged. Job retention, rather than job creation, may be the goal. However, cities and counties such as San Francisco (Case 6) are beginning to consider ways of linking jobs for unskilled residents to downtown development. To do this, local governments have had to rethink the relationships of employment and economic development programs, as well as how governance tools such as zoning can be used. Employment and economic development programs are being coordinated to meet business needs. Regulatory, tax and administrative policies are being purposefully used as negotiating "chips" in the development process.

Securing Employment Opportunities Through New Mechanisms

Linking jobs with the unemployed can be hampered by the fragmentation of both economic development and employment and training programs relevant to downtown development. Frequently, what is required is a coordination mechanism. In Springfield, Massachusetts, a coalition of community-based organizations, private training agencies, and local government agencies created the "Springfield Partnership for Jobs," which negotiates agreements with downtown developers to hire the disadvantaged. Trained workers for the many small shops in Baltimore's famed Harborplace were provided through an agreement with the local employment and training agency.

Two of the major downtown development tools, the Urban Development Action Grant and the Community Development Block Grant, are vehicles not only for job creation but for job targeting as well. Applications for UDAGs must project the number of jobs that will be filled by low- and moderate-income persons and must include an employment plan showing how the applicant will work with the employment and training agency to meet those projections. CDBG projects must benefit low- and moderate-income persons. In cases where these projects contribute to job creation, the most direct benefit is the jobs.

Performance Contracting and Business Assistance

Performance contracting is an approach to training which involves grants of public training funds to private firms to deliver specified training and placement services at negotiated rates. This instrument involves a "block grant" type of funding arrangement (rather than a detailed line item budget) and focuses on performance outputs such as trainees placed. As such, performance contracting can be a useful and flexible tool for local training program administrators. It can be used as an incentive for economic development because it allows firms to buy equipment for training which may them be used for production, and special bonuses may be added to the contract for placement of the hard-to-employ. Performance contracting also involves much less red tape than traditional programs. The Buffalo and Erie County PIC in upstate New York has been particulary successful in using this approach.

Designing Matched Training Programs for New Business

The increasing linkage of JTPA programs, as well as privately funded training, for business development or expansion has become a central theme in some communities. However, matching training resources to business needs can be complex. Training programs must be tailored for downtown employment. In many cities, for example, restaurant development is being encouraged to attract people to the central business district after business hours. The Culinary Institute of America has worked with a number of localities to prepare the economically disadvantaged for employment in restaurants and other food service operations. In Washington, D.C., the program included 16 weeks of skill and motivational training and 10 weeks of on-the-job training in Washington hotels, restaurants and institutions.

Case 6

TYING DEVELOPMENT TO JOBS IN SAN FRANCISCO, CALIFORNIA

Several agencies in the city and county of San Francisco, including the PIC, the Port Authority, the Mayor's Office and the Planning Department, have devised a plan for getting employment and training commitments from downtown developers benefiting from public assistance.

Initially, the Mayor's Economic Development Council, the Mayor's Office of Employment and Training, and the Private Industry Council decided to review the opportunities for local employment created by booming downtown business development. With support of the State of California, an employment/economic development linkage project was initiated. This project was designed to create a linkage system with employers that would provide incentives and assistance for the employment of CETA-eligible persons.

The local commitment to the initiative was complicated because CETA programs were highly decentralized and subject to the agendas of different community organizations in the city. However, a process was developed to increase private sector confidence in employment programs and begin to resolve local coordination difficulties. The effort produced better working relationships among the disparate employment and economic development programs involved and the reorganization of employment programs.

The actions of the Redevelopment Agency, the Department of City Planning, the Office of Community Development, the Port of San Francisco, the Department of Public Works, the PIC, and the Chamber of Commerce were coordinated so that every new development project would be flagged and trade-offs of zoning, permitting, land packaging, and loans would be tied into employer decisions. The city worked with employers to negotiate training and employment agreements. City and agency resolutions were passed supporting new linkages and a memorandum of understanding was developed among local government agencies to formally establish these new relations. Employment plans and first source hiring agreements with employers have since been tied to a number of projects.

This experience suggests that a formal process of building linkages between local public sector actors is often necessary before seeking private commitments, and that specific mechanisms by which agencies can contribute to employment linkages--through employment plans, memos of understanding and first source agreements--are important tools for accomplishing this.

At the same time, this example illustrates the complexity involved in dealing with the wide variety of different actors and interests in the community. Clearly, such processes take time to become fully operational. Special attention must be given to making the complex system "work"--from the employers' point of view--if the overall linkage strategy is to be successful.

ATTRACTING INDUSTRIAL DEVELOPMENT AND NEW JOBS

For many years "smokestack chasing" was the term used to describe how states, cities, counties, and chambers of commerce pursued new enterprise. As high-technology business began to blossom, many communities switched their emphasis from smokestacks to clean, high-tech business ("chip chasing"). In both cases, cities and counties have frequently competed to offer land, loans, and tax abatements to attract businesses. Although these may be important in attracting firms, other variables, such as the price of housing, availability of skilled workers, and the quality of the local educational system and the overall quality of life are frequently the deciding factors. Communities are beginning to rethink their attraction strategies, emphasizing how education and training, as well as traditional financial incentives, can be used.

Creating New Economic Centers Through Negotiated Investment

Some businesses now are willing to locate in economically troubled neighborhoods when local government and neighborhood residents encourage and assist such development. Control Data, for example, has located a number of its manufacturing plants in areas of high unemployment. Digital Equipment located in the Roxbury-South End section of Boston with assistance from local industrial revenue bonds. Usually, these firms have been sought out by community leaders who believe that there is an opportunity to match the labor force with a new business in a productive way.

The needs of business and government often converge when employment and facility needs are examined together. In a number of places, both state and local governments have worked with businesses to create new centers for economic development and have negotiated trade-offs that benefit both the firms and the community. In Minnesota, for example, through a process of examining the needs of both firms and government, an agreement was reached to establish a new industrial development park in St. Paul. The agreement involved the Mayor, four city agencies, the CEO of a high-technology firm, and a state government agency. It covered land needs, the possible waiver of environmental requirements, and commitments for employing local residents. The process of negotiating collaborative actions was accomplished by an experienced labor mediator. The agreement focused on trade-offs needed to establish a large "Energy Park" project outside downtown St. Paul. Some $40 million of public and $160 million of private funds were involved in a 5-year initiative. Loans from the City's Port Authority, special pollution control agreements and waivers, and federal Community Development Block Grant funds were also involved. Hiring commitments were developed and agreed to. Although changes in availability of federal funds have delayed the implementation of the project, the negotiated agreements were essential in maximizing private sector investment and enabling targeted use of available public resources.

Linking Schools with New Business Development

To attract new development, many communities have examined how their education systems and training and employment programs can be better used to provide a skilled work force. One important emphasis has been the channeling of JTPA-eligible employees into new businesses that have been assisted by public programs such as UDAG, CDBG or local bonds. The development of a well-prepared work force can also occur proactively, through working with schools and community colleges to train the emerging work force, or by tailoring new training programs to the needs of prospective employers.

Colorado FIRST is an economic development program designed to attract businesses to the state, or to help them expand, thereby creating jobs for Colorado residents. The "fast track industry related start-up training" (FIRST) is provided by the state's community colleges and vocational schools.

Communities such as San Antonio have brought together business and government to consider how community college curricula can be enhanced to attract new firms. The United San Antonio (USA) community organization has developed new school programs in areas that are of concern to businesses. San Antonio's citizens and government worked together to attract a high-technology firm to serve as the "anchor" in an industrial park targeted for a neighborhood of high unemployment. The firm believed that an agreement to hire local residents would work if the city successfully used the firm's computer training program to develop basic skills in assembly. The city used CETA funds for the training and federal community and economic development programs for preparation of the industrial park site.

Linking Training to New Business Investment

Although school systems are a crucial element in preparing the unskilled for work, communities with high concentrations of underemployed persons have started more purposefully linking training resources with agreements by firms to locate or expand. In some instances, these linkages were the key resources that attracted a new firm. In Portland, Maine, for example, a large insurance firm agreed to expand in the city if two things were done: if UDAG funds were used to develop a needed sewer line, and if training was provided to income-eligible persons whom the city wanted the firm to hire. The firm and the city worked together to develop an insurance curriculum for the training program in exchange for the firm's agreement to hire the graduates. In Portland, Oregon, (Case 7) an electronics firm reviewed the incentives offered by the Mayor, and found that the promise to train employees for the industry was the most important factor in their choice.

Case 7

AGREED-ON TRAINING TO ATTRACT A FIRM IN PORTLAND, OREGON

Through the strong efforts of a mayor and the conscientious work of a local employment and training program, Portland, Oregon, successfully negotiated a pioneering "first source" agreement with an electronics firm receiving economic aid from the city. Under the agreement the firm agreed to hire, on a first source basis, trainees from the city's special training program.

This effort was initiated because the Mayor of Portland was concerned that the local unemployed were not benefiting from expanded economic development and that new jobs were going to suburban residents. Despite a vigorous business attraction and urban renewal program, there had been little linkage of new development to training and employment programs. With the problems of low education levels and poor information about the job market, there was a need to create a more systematic approach to employment and economic development linkages. The Mayor and the Governor had worked to attract new firms by offering a variety of fiscal and program incentives. The Mayor used the resources of the Portland Development Commission (CDBG funds, tax increment financing, industrial revenue bonds, and municipal bonds), the Port of Portland (control of industrial land), the Economic Development Advisory Committee and the Bureau of Ecomomic Development, and the Portland Training and Employment Division (CETA programs), to form a strategic set of resources for one particular firm that had good job development potential. The Mayor worked closely with the firm and negotiated a set of four incentives for the firm to come to Portland that included: the assembly of 80 acres of land; improvements to the site through tax increment financing; industrial revenue bonds; and negotiation of an agreement in which employees would be trained for the firm's needs in exchange for a commitment to use the city as a "first source" for all nonprofessional employees.

The training of future employees was the "hook" that closed the deal. The city worked with the firm and a community college to carry out a customized training program, including a prototype production line. The program worked so well that the product of the school's production line was eventually purchased by the firm. Many of the trainers were hired to continue on-the-job training at the firm. The firm eventually hired 475 persons who were trained.

The experience here has shown that cities can work collaboratively with the private sector to design efficient and attractive packages of resources for firms, while ensuring that the local unemployed and underemployed gain access to jobs. The Portland experience once again illustrates the importance of strong political leadership in the linkage process. It also demonstrates that the local employment and training system must "deliver" once commitments with the private sector are made. When private employers begin to see the linkage process as something beneficial (as the electronics firm did), then the community will have an easier time negotiating future linkage arrangements.

PROMOTING NEW AND SMALL BUSINESS TO CREATE JOBS

According to recent research, small businesses account for about 40% of the gross national product and have provided over 86% of all new private sector jobs in recent years. Yet, small businesses are often unstable, lasting only an average of 2 years before failure. As communities become increasingly aware of the importance of small business to their economy, they are developing ways to bring them into existence and to help them remain stable and thereby increasing job opportunities.

Small businesses face a variety of problems. They often lack adequate capital, have poor management, face regulatory and tax constraints, and do not have access to information that can enable them to adapt to market changes. Despite these conditions, small businesses are continually starting. Although the federal government has developed some programs to help small businesses, including loan programs, loan guarantees, and management counseling programs, these programs have limited coverage. Most small businesses never receive federal help. Yet small businesses often have problems that local governments and larger corporations can help to solve.

Many small businesses suffer from lack of management skills that lead to poor accounting and cost management. Others have difficulty getting capital at reasonable costs. Despite the fact that most loans for small business come from banks, banks are often not prepared to address the individual needs of the small business. Red tape can also be especially troublesome for small businesses, with local zoning, codes, and permit approval processes often taking the owner-entrepreneur away from work. Some communities, businesses, and specialized community development organizations are now assisting small businesses in new ways that help create or preserve jobs.

Increasing Access to Public and Private Capital

Processing a $10,000 loan to a small business costs almost as much as providing a $500,000 loan to a larger business, but offers much less return. Consequently, many banks do not give the same priority to small businesses as they do to larger borrowers. In some communities, new ways of packaging loans and helping small firms find funds have emerged. The Dayton, Ohio, Citywide Development Corporation, a quasi-public corporation, helps arrange for private investment in a variety of enterprises. They are supported primarily by CDBG and other federal grants from the city, but they also leverage public funds with private investments and help arrange needed tax exemptions, placement of equity investments, and financing from other local lenders. In accepting loans packaged by Dayton Citywide, small businesses agree to hire income- eligible employees on a "first source" basis. A variety of other innovative local mechanisms have been developed to help channel or package funds for small businesses in other communities, such as Chester County, Pennsylvania, whose CDBG revolving loan program assists small businesses who agree to certain hiring requirements (Case 8). The PIC and the Chamber of Commerce in

Westchester County, New York, assist small businesses through a program of management and technical assistance, on the condition that those firms make a "good faith" effort to hire the hard-to-employ.

Improving Management Through Use of Corporate Resources

Small businesses are often at risk because entrepreneurs have little formal business management training. Consequently, one way to help smaller firms is to make management assistance available. In addition to some volunteer programs operated under the auspices of the Small Business Administration, there are also partnerships between large businesses and small that have been helpful to the local entrepreneur. In Phoenix, Arizona, for example, a city-sponsored Business Development Corporation matched small businesses with large businesses which could help them enter into new markets under subcontracts. The organization also matched large business executives with small firms on a problem-solving basis to increase the attractiveness of small businesses to lenders.

Reducing Operational Costs -- Business Incubators

Many communities have given considerable thought to how they can stimulate business when financial resources are limited. In some cases, older publicly owned buildings have been used to incubate small businesses. New York City, San Diego, California, and Buffalo, New York, have tried different approaches. New York owns a huge supply of buildings that are being auctioned, sold, or leased to businesses. Buffalo invested CDBG and other public funds to start a formal business incubation enterprise to attract new firms to the area. San Diego temporarily offered the use of airplane hangars at the airport. In a number of cases, industrial development parks in revitalizing areas are including incubation components tied to the major anchor firm--a small manufacturer next door to an established high- technology firm. On the private-sector side, Control Data Corporation has operated its own business subsidiary, the Business and Technology Centers which lease space at a minimum rate, and offer laboratory and related technical services that might be needed by small but growing high-tech firms that cannot afford major expenditures.

Akron, Ohio, took a linkage approach in the development of its small business incubator by involving the City, the PIC, and the University of Akron. The city used CDBG funds to pay for development costs, while PIC trainees were used to rehabilitate a building to serve as the incubator facility and are given preference for positions developed by firms using the facility. The university provides managerial and technical assistance to firms in the incubator.

Reducing Red Tape

Small businesses are particularly vulnerable to such local factors as road conditions, traffic, parking, zoning restrictions, and administrative procedures (such as slow government payment on contracts or slow permit processing for expansion). Through the influence of sensitive community leaders and members of the business community, a number of cities and counties have started to study individual business areas to determine how public laws affect them and what types of changes might be needed to remove unnecessary burdens.

In San Francisco, a city-wide rezoning initiative was used to remove restrictions on "living above the shop" for family-owned businesses. In some business strips speed limits and parking meters were modified to increase ease of access to shopping.

San Antonio has developed a streamlined permit system that applies for all economic development but focuses on the needs of small businesses. Denver, Colorado, uses special development district zoning, like planned unit developments, to help businesses that do not conform to local zoning make trade-offs within parcel boundaries. Similar efforts to modify zoning, building codes, and other services in a systematic way can improve the quality of a business district and yield more employment opportunities for local residents.

Supporting Entrepreneurs

One way for an unemployed person to get a job is to go into business. Programs are being developed to encourage and support both disadvantaged and dislocated workers start their own businesses. Broward County, Florida, developed a program called Be Your Own Boss (BYOB) to provide training to the economically disadvantaged in skills necessary to operate a successful small business. Those selected must have a marketable idea and the facts on competition and capital needs. They get classroom training in basic business skills and internships with appropriate businesses. Local banks have established a loan pool for financing.

Chester County, Pennsylvania, borrowed the BYOB name and provided entrepreneurial training to dislocated steel workers. Chester County and other communities have found self-employment to be an attractive and feasible alternative for a surprisingly large number of dislocated workers.

Case 8

GENERATING JOBS THROUGH NEW AND SMALL BUSINESS DEVELOPMENT IN TWO STEELTOWNS IN CHESTER COUNTY, PA

Chester County, Pennsylvania, is a mid-sized county west of Philadelphia. Much of its economy has been traditionally based on agriculture. More recently, a portion of it has gone "high-tech." The northern section, however, has been a steel producing center since revolutionary times. So, while the overall economic condition of the county was good, the areas dependent on the steel industry--notably the communities of Coatesville and Phoenixville--have suffered from severe economic decline and high unemployment.

Chester County participated in the Employment/Economic Development Connection project. It established a county task force for the project which was chaired by the Chairman of the County Board of Supervisors. The task force established subcommittees for the two steel towns which brought together key public and private leaders from the county and each community to focus on the economic and employment problems of Coatesville and Phoenixville. Both communities recognized the need to diversify their economies and minimize their traditional dependence on steel.

Both communities came to see that new and small business development offered the best prospects for economic revival. Neither place has much available land for traditional industrial park development so that approach clearly wouldn't work. At the same time, some local realtors noted the growth of some new, small businesses in these communities--some started by former steel workers--which provide goods for the booming high-tech industry in the southern part of the county.

The county's Office of Economic Development (which managed both economic development and employment and training programs) took the lead in developing a strategy for promoting new and small business development in the county generally and these two steel towns in particular. Elements of the strategy included:

- Financing for new and small businesses provided through a CDBG-funded $1/2 million loan fund--a program which incorporated hiring requirements for PIC trainees into its design.
- Entrepreneurial training for new and potential entrepreneurs through a program called "Be Your Own Boss" (BYOB) run in collaboration with the SBA.
- Special training for employees of new and small businesses through a set-aside of 50 OJT slots for each steel town community.
- A small business incubator proposed for each community to be developed in collaboration with the Science Center of the University of Pennsylvania, the state's Ben Franklin Partnership program for high- technology development, and the SBA.
- A potential purchasing program to be established by the high tech firms to buy certain products and goods locally in Chester County, following analysis of the potential by West Chester University and consultation with the purchasing agents of these firms.

The first three elements of this program are already in place, and the last two were under development when this guidebook went to press. Collectively, these activities result in a fairly comprehensive strategy to address the needs of new and small business in capital, management assistance, technology, and marketing.

CREATING JOBS IN RURAL AREAS AND SMALL CITIES

Small cities and rural areas often suffer from high unemployment or underemployment. Some have a chronically underdeveloped economy and others may experience industrial decline among principal employers. Typically, these areas also lack many of the resources needed to build a stronger economic base. Low incomes may prevent the growth of a local market for services and products. Areas without adequate market access or infrastructure, such as highways, rail lines, and airports, are less likely to attract businesses.

To address these problems, new ways of viewing employment and economic development are needed. Community economic development organizations often can play a key role. Actions to develop new ventures, by bringing in new ideas, entrepreneurs, and marketing assistance, are one way to approach the employment problem. Seeking out and developing existing skills, and forming cooperatives among underemployed workers, are other approaches. Opening up communities for economic development can provide both construction jobs and future work opportunities for local residents. Increasing the capacity of small firms to compete for government procurement, particularly for local construction contracts, can also help strengthen business in rural areas and small cities.

Fostering Rural Enterprise Through LDCs

Finding ways to create employment may involve redefining the roles of existing organizations. One important activity that can be undertaken is to start new business ventures using local residents of rural communities. The Kentucky Highlands Investment Corporation (KHIC) studied market opportunities and founded a new firm that manufactured toys. KHIC also serves as a job broker for the regional training program, using on-the-job training funds to help increase worker capacity. In another case, this organization looked for and found an experienced entrepreneur to head a new firm they helped to start, bringing needed expertise to the operation of the new enterprise.

Creating New Markets to Generate Employment

Using existing resources in new ways is another important aspect of rural economic development. In Tupelo, Mississippi, a linkage task force has laid the groundwork for the development of an exposition and trade center to enhance the growth of that city's furniture industry. In North Carolina, the Migrant and Seasonal Farm Workers Association worked with rural crab-fishermen to help them improve their crab catching techniques. Over time they formed a cooperative (East Carolina Industries) to share skills, and eventually determined that they could also harvest other kinds of seafood. As they explored this market potential, they used CETA training, and an Economic Development Administration grant to open a processing plant and purchase equipment. Although the effort has suffered setbacks, with the plant closing at one point, it has resulted in creation of an entirely new business that is now employing several hundred persons. Most of the product is sold on the international market--an opportunity not recognized before the initiative. Similar cooperatives have been formed in other communities, focusing on transforming basic skills, such as sewing clothing for children or doing basic farm work, into new business, such as producing lingerie or growing fancy strawberries.

Collaborative Efforts to Open Up Communities for Industry

If a community has significant underemployment but the potential for economic growth, assistance may sometimes be needed to break ground for business development. In Hopkinsville, Kentucky, a collaborative effort between the Operating Engineers Union, the State Manpower Services Council, and local citizens resulted in training underemployed persons to operate heavy equipment. As part of this effort, roads were built to provide access to a planned industrial park. The process assisted individuals who worked as operators in the construction of the industrial park. Funds from the Governor's Special CETA Grant made this particular collaborative effort possible.

Helping Small Cities and Rural Areas Prepare for Development

Small cities and rural areas often lack the capacity to deal with employment and training and economic development issues. Riverside and Fresno counties in California (Case 9) have developed programs to help smaller communities in their county prepare for development by producing community profiles, conducting audits of a community's strengths and weaknesses, and organizing local development teams. At the state level, the Institute of Government Studies at the University of California (Berkeley) conducted a Ford Foundation-sponsored study on rural economic and employment development and is available to provide technical assistance to counties in the state on linkage strategies.

Increasing Rural Business Competitiveness

Many rural farmers or small businesses have not been able to compete effectively with larger businesses in selling their products or securing government contracting opportunities. In several instances new relationships with local enterprise have been created by using public resources in new ways. In Epps, Alabama, CETA funds were used to help rural farmers upgrade their livestock-raising techniques. VISTA volunteers provided training and assistance in raising animals, applying for loans to upgrade equipment, and increasing access to land for farmers. In Browning, Montana, the Tribal Employment Rights Planning Committee was awarded funds under the Targeted Jobs Demonstration Program to train local tribes to apply as contractors for federally funded projects in the reservation area. This type of action was an important step toward helping local residents gain a share of opportunities in an area with 40% unemployment.

Case 9

A COMMUNITY PREPAREDNESS PROGRAM FOR SMALL CITIES IN FRESNO COUNTY, CALIFORNIA

Fresno County has established a unique program to increase the readiness of the 14 smaller cities in the county for economic and job development. The county participated as a demonstration site in the Employment/Economic Development Connection project. The county is a jurisdiction of over a half-million people with an economy strongly tied to agriculture. Fresno ranks first in the nation in the total value and variety of its agricultural production, and the county has had a strong record of growth over the past 30 years.

However, as the county seeks to diversify its economy and meet the increasing competition for development in the west, it has become more aggressive in its economic development activities. The task force organized for the demonstration project identified as one of its priority concerns the need of the smaller cities in the county (outside the county seat of Fresno) to increase their capacity to both generate and respond to potential economic development opportunities.

The county's Community Development Department, and Economic Development Corporation with advice from the task force, developed a "community preparedness program" to assist these communities. Initial funding for the program came from HUD's CDBG Jobs Bill. The program will include an inventory of infrastructure, available land, labor force and skills, and other assets and resources of each of the smaller communities participating in the program. In effect, a "community audit" of the basic elements needed to locate industry in a community will be conducted and a"community profile" completed. In addition, a local resource team, composed of community leaders and staffed by the county, will be established to develop community programs to respond to any deficiencies identified in the audit, and to serve as an ongoing working group on economic development and employment issues in each city.

The county's CD Department will staff this program on a continuing basis. One of the key elements of the program will be linking the employment and training resources and needs of each city with the economic development programs of the county and city. Thus, because of this linkage, the Private Industry Council in Fresno County has agreed to provide ongoing support to this unique program. After just a few months of operation, the program was initiated in nine cities. A number of them completed their community audits and began development of a community profile that will be made available to potential developers. A couple even went so far as to organize their own local resource teams. The PIC has indicated its support for the program by making it a major work item in its two- year plan.

PART THREE: DEVELOPING A LINKAGE STRATEGY

OVERVIEW

Developing an effective linkage strategy to achieve employment and economic development objectives will require leadership, the willingness of key actors to work together, and an organized problem-solving process. Each community will need to generate its own leadership and spirit of partnership. However, **the linkage principles stated in Part One and the experience of the Employment/Economic Development Connection project's demonstration sites and other communities described in Parts One and Two suggest certain useful steps in the problem-solving process**:

- **Review the community's context** to determine where it stands, what opportunities it can tap, and what obstacles it must overcome before moving in new directions.

- **Define an appropriate issue** to focus on, which could be a problem to be addressed by the community (e.g., a plant closing) or an objective it seeks to attain (e.g., promoting new high-tech development).

- **Organize a local team** of government, business and community representatives (e.g., mayor's office, PIC, state government, chamber of commerce, CDBG office, local development corporation, organized labor) to work on the issues.

- **Analyze the local problem or set of objectives** and identify opportunities for new public and private sector initiatives.

- **Design a local economic development/employment strategy** to address the problem or objectives originally identified.

- **Negotiate an agreement** among public and private sector parties spelling out new public and private policy changes, funding targets, hiring commitments, etc.

- **Implement and follow through** on the negotiated agreement.

This part of the guidebook describes these steps in sequence, incorporating examples as appropriate. At the end of each section describing what is involved in the step, there is a checklist of questions that a community can use to think through how it should proceed in developing a public-private linkage strategy.

Involving local stakeholders in this kind of collaborative process represents a "new way of doing business" for most communities. However, the difficult employment and economic development issues facing most communities today require that local actors play new roles, that new resources be tapped, and that new directions be set. It is not likely that any community would follow the process described in every detail. However, it is important to recognize that success in a significant linkage effort is not likely to be produced by an ad hoc approach. **An organized and systematic process to develop new public-private strategies will make it much more likely that priority employment and economic development objectives are met.**

LESSONS LEARNED FROM LOCAL STRATEGIES

The experience of communities in developing the linkage strategies described in the preceding sections provides a number of important lessons that relate back to the linkage principles stated in Part One.

Effective linkages require both public-public and public-private partnerships:

- **Such partnerships are hard to develop and maintain**. It is important that the local situation be appropriate and that the issues be important enough to justify the special efforts by all sides that are needed to make the partnership work.
- Both public and private sector **leaders** (especially top-level) and strong **staff support** are essential elements to successful linkage initiatives.
- **A diversity of local actors** (public, private, and community) needs to be involved in linkage efforts.

Both fiscal and nonfiscal resources are required to support linkage strategies:

- More extensive and creative use of **private sector resources** is essential, given constraints on public resources.
- Innovative uses of local tax, regulatory, administrative, and other **governance powers** can be used to provide incentives or remove barriers to expanded private sector involvement.
- More flexible **federal resources** can be combined with local government resources and used to leverage private sector resources.

Specific local issues provide a sense of direction for linkage initiatives:

- There needs to be **a focus** to the linkage activity. It could range from a genuine crisis to the simple desire to "do better," but there needs to be something to get and keep people interested and involved.

- The issues to be focused on and the agendas to be developed must relate to the various actors' sense of **self-interest**.

An organized problem-solving process is required for developing linkage initiatives:

- Some kind of **systematic process or mechanism** is needed to bring these actors together in developing a problem-solving action agenda that makes the best use of community resources.

- Linkages and partnerships require **supportive institutional arrangements** among the key agencies (PIC, chamber of commerce, community development, economic development, city manager, mayor); new organizational arrangements may be needed.

Negotiations involving trade-offs between sectors are required to develop successful linkages:

- **Trust** needs to be developed among the various actors and adversarial relations and negative images must be overcome for negotiations to be successful.

- Sometimes, outside **facilitators** or neutral third parties can help diverse actors develop a consensus on local problems and collaborative strategies to address them.

- To make negotiations work, the local training system must have the **capacity to "follow through"** and **"deliver"** on whatever commitments are made in the linkage process.

- Once an initiative has been successfullyimplemented, it is possible to **build on past successes** and use one linkage effort to develop or spin off new ones.

UNDERSTANDING LOCAL CONTEXT

Where you start depends on where you are. Every community is different, and what is possible in one place may be inconceivable in another. Several aspects of local context affect the kinds of partnerships and linkages that can take place in a community. Therefore, the first step for local practitioners is to examine the key factors in their particular context. Such an examination is a prerequisite for any action steps to follow.

Review the History of Partnerships and Linkages in the Community

The history of partnerships in a community and the degree of trust between business and government and the various public and private institutions are key factors that will shape the kinds of new partnerships and linkages that are possible. In some places antagonism or lack of understanding among important institutions and individuals may constrain any opportunities for significant new collaboration. In such a case, it might be necessary to start with some modest efforts and build a record of success before embarking on major new initiatives. In cities like Akron, Ohio, however, where there is a strong history of civic collaboration, more substantive efforts may be possible.

Similarly, the tradition of linkage activity in a community will affect what kinds of new linkages can be developed. Having just completed an employment strategies study involving most of the key agencies and groups in the county, Contra Costa County, California, found it relatively easy to participate in the Employment/Economic Development Connection project and move fairly quickly to consensus and action on new linkage strategies. In Fresno County, California, on the other hand, which had much less history of collaboration and linkage activity, the linkage task force spent some initial meetings having local actors get to know each other before serious problem-solving and strategy development could begin.

Consider the Impacts of Organizational Arrangements

Local organizational arrangements and "turf" issues should not be underestimated. Progress on linkages is limited in many communities by disputes about who does the work, spends the money, and gets the credit. In many cases, local development agencies are organizationally distinct from employment and training agencies, with relationships between the two limited at best. In other communities, such as San Antonio, Texas, where there is an integrated Department of Employment and Economic Development, there is a stronger base on which to build new linkage efforts.

The establishment of new PICs under JTPA provided many communities with an opportunity to revise the old institutional arrangements and establish closer ties with the economic development community. Thus, when Chester County, Pennsylvaina, formed its new PIC and simultaneously established the Economic Development Consortium to bring together training and development agencies, the stage was set for stronger linkage activities.

Look at the Quality of Local Development and Employment Programs

The actual and perceived quality of public programs are important factors to review when considering new partnership and linkage activities. The image of many employment and training programs may have been damaged because of the poor reputation CETA had in some places. Similarly, the quality and reputation of local development agencies vary widely. Many local governments are criticized by their business community for inconsistent policies and bureaucratic procedures. Where such problems exist, steps should be taken to rebuild confidence in the public programs so crucial to making linkages effective.

Make Sure Economic Development and Jobs Are a Priority of Local Leaders

Major initiatives in this area will only happen when jobs and economic development are a priority for local leaders (both public and private) who are committed to making things happen. Portland, Oregon's success in making its "first source" agreements work can be directly attributed to the personal commitment of its Mayor. Milwaukee's efforts to assure that a portion of the jobs generated in a major downtown development project went to minorities were spearheaded by the insurance company that financed the project. The priority given to linkage by elected supervisors in Contra Costa County and Chester County made their linkage strategies possible. Clearly, leadership is a must. If top-level leaders are not already committed to the linkage concept, a nurturing period carried out by concerned staff or interested community groups may be needed before new initiatives can be developed.

Examine Local Economic and Social Conditions

Economic and social conditions in a community will also influence the kinds of opportunities on which partnerships may be focused. For example, serious community tensions may make targeting a particular hard-to-employ group difficult. In a community with a growing economy there appears to be more room for negotiating job commitments with developers than in a declining area. In the latter case employment and training programs might best be applied to assist in business retention and new business start-ups.

Seek Out "Neutral Turf"

Finally, the existence of local organizations and processes that can enable the different sectors to come together on "neutral turf" can facilitate the development and implementation of collaborative efforts. In communities such as New York City or Fall River, Massachusetts, with strong, well-respected PICs that adequately represent the diverse public-private and economic development and employment interests in a community, the PIC may be that vehicle. In other places, business civic committees such as Chicago United or public-private forums such as the Twin Cities' Citizens League may play this role. In some places, a new mechanism may need to be invented as Gary, Indiana, did when, with the help of the Kettering Foundation, it established the Negotiated Investment Strategy process to create new development strategies.

The checklist of questions in Exhibit 6 can help local practitioners review factors in their communities that might promote or constrain the successful development of new linkages. There are no "right" or "wrong" answers to these questions; but thinking them through can help a community determine where it stands, what opportunities it can tap, or what barriers it has to overcome to move in new directions.

Exhibit 6

UNDERSTANDING LOCAL CONTEXT

- Is there a history of collaboration among government, business and other groups? Is there a positive base of experience to build on? Or a negative one to be overcome?
- Are there close ties between local economic development and employment programs? Or are they isolated? Where do the schools fit in?
- Is there a consensus that economic development and job coordination are a high priority concern on the local scene?
- Are local actors willing to commit resources and develop new approaches?
- Are there strong public sector leaders with the vision and capacity to promote opportunities for linkages? How about other community leaders?
- Are local economic development and employment programs regarded positively? Are policies seen as consistent and reliable? Is government seen as pro or anti-business?
- Is the economy vital and strong? Sluggish and declining? Is it dominated by corporate headquarters or subsidiary plants? Service or manufacturing? Have there been recent traumatic events like a plant or base closing?
- Do serious tensions exist in the community? Are there issues that have divided the citizenry? Are there special-interest issues dominating the scene?
- Are there neutral forums where public and private leaders can discuss issues and come up with new approaches?
- Are there intermediary organizations or individuals (brokers) who can bring the various parties together?

DETERMINING A FOCUS

Once a community has determined where it is, it can decide where it wants to go. Developing effective partnerships and economic development/employment linkages requires a focus and sense of direction. The focus may be broad (e.g., promoting institutional linkages between all publicly-assisted development activity and local employment and training programs) or narrow (e.g., assuring job opportunities for neighborhood residents in an enterprise zone). The point is that communities should work on something well-defined and tangible and should avoid endless, unfocused planning exercises that result in paper instead of action.

Determine Whether There Is a Pressing Problem, Specific Objective, or Special Set of Circumstances

Several factors can determine the appropriate issue focus in a community. In some cases, there may be an obvious problem or crisis such as a plant closing or a natural disaster that provides the spark for a new initiative. In Hayward, California, for example, it was the closing of a major GM plant that led to the organization of a business/labor/government committee and a plan of action to assist displaced workers there. In Jackson, Michigan, it was also the decline of the auto industry that provided the impetus.

In other places, a community may have an objective that it wants to accomplish or an opportunity it wants to take advantage of that results in new linkage activities. A leading city councilman (and now mayor) of San Antonio helped stimulate various linkage efforts as part of his goal of assuring that Hispanics gained access to new high-tech jobs coming into that community. In Grand Forks, North Dakota, the Mayor as well as Governor were both promoting a Foreign Trade Zone as a key economic development and employment strategy.

In still other communities, it may be a special event such as the election of a new pro-economic development mayor, the establishment of enterprise zones, or the release of record-breaking unemployment statistics that serves as the catalyst for new directions. Cleveland, Ohio, for example, was able to develop a linkage initiative for its new enterprise zone. Even the simple desire to "do better" with limited resources may be a sufficient catalyst for moving ahead.

Focus on an Issue of Interest to Both Public and Private Sectors

Regardless of the catalyst, it is important that the issue be one that is seen as important by both public and private sector leaders. Ideally, it should be one that can produce benefits for all the parties involved and which requires resources from a variety of sources. It is especially advantageous if top-level leaders have a direct interest in the issue and in seeing that it is resolved. In Grand Forks, for example, the selection of an emerging Foreign Trade Zone made the most sense because it was an important objective, widely agreed upon.

Build on Past Efforts Where Possible

In those communities with a history of partnership and linkage activity, it obviously makes sense to build on past efforts. In places with little history of collaboration, it may make sense to start modestly with some small projects and build from there.

Concentrate on Tangible, Specific Items

Regardless of history, it makes sense to focus on something well-defined, and tangible, that can be done in a reasonable time. It ought to be an issue that the local community can really do something about (e.g., saving a declining major industry may be beyond local control.) It is also useful to keep the activity as simple and straightforward as possible, emphasizing opportunities that make the best use of available resources and skills in a particular community and that lead to visible outcomes. One ought to be wary of vague and complicated projects, with multiple constituencies and interests, full of open-ended commitments.

Be Flexible

It is also important for local problem-solving efforts to be flexible in their choice of focus. Oftentimes, as a public-private group begins to examine an issue in new ways, it comes to recognize that what it initially thought was the problem was either not a problem or not as important as something else.

For example, the linkage group in Akron began its activities with a focus on business attraction and concluded after much debate and analysis that greater emphasis on retaining and expanding existing businesses was more appropriate. Similarly, an initial concern about the quality of basic education in Akron developed into a realization that the school system was doing a good job and its success ought to be highlighted as a community asset.

The checklist of questions in Exhibit 7 may help a community consider which issue(s) are most appropriate for it to pursue.

Exhibit 7

DETERMINING A FOCUS

- Is there an obvious problem in the community to be dealt with--a high unemployment rate, a lack of skilled workers for the downtown service industry?

- Is there a special objective the community wants to achieve, such as diversification of the local economy or job opportunities for minority residents?

- Is there any area around which public and private leaders can develop a consensus and work together for their mutual self-interest?

- Is there some issue that has attracted the attention and concern of one or more key local leaders--a campaign theme of the city council president, a new agenda item for the PIC chair?

- Are there any special circumstances that present an opportunity for a new local initiative--the election of a new mayor, the release of a major economic report, the enactment of enterprise zone legislation?

- Is there any history of partnership or linkage activity that offers a base to build on?

- If major initiatives seem unlikely, are there some practical short-run projects that could be developed and used as a base for future efforts?

- Is the issue under consideration something manageable? Something that the community can really do something about? Something where new initiatives would seem likely to yield results?

ORGANIZING A PARTNERSHIP

To deal effectively with the economic development/employment issue that has been selected, the efforts and resources of several different actors in the community need to be mobilized. Therefore, the right mix of people should be assembled to work on the issue and develop a strategy for dealing with it. In other words, there is a need for a public-private partnership or problem-solving team.

Determine Whether A New Vehicle Is Needed or Whether An Existing One Will Do

As noted earlier, there may already be a partnership mechanism in place. In some cases, however, it will be necessary to create a special new team of government, business, and community representatives to work on employment and economic development linkages. Often, establishment of a new group can help ensure a fresh look at problems and new thinking about potential solutions. New vehicles may be especially useful in communities without much history of partnership or linkage activity.

Recognize That the Initiative Can Come from Many Sources

Who takes responsibility for initiating action? The initiative may come from either the public or the private sector. Typically, the decision begins with someone's realization – a county executive, a mayor, a business leader, a director of a private industry council, or a community development organization – that devising and implementing the solution to a particular problem exceeds the capacity of one organization. Asking others to join in an effort to deal with the situation simply makes sense. In the cities of Jamestown, New York, and Portland, Oregon, it was the Mayor; in New York City and Dallas, Texas, it has often been the business leaders.

Involve Leaders, Stakeholders, and People with Resources

Whether a new or existing vehicle is used, and whether the initiative comes from the public or the private sector, successful partnerships tend to have certain characteristics. First, they have strong leadership – someone to focus the group's efforts on an issue, develop an agreed upon strategy, and see that it is carried through. Second, they involve actors with a direct stake in seeing that the issue at hand is resolved – the elected official who ran on a jobs platform, the union leader whose members are out of work, the CEO who needs a better-trained labor supply. These are the "stakeholders."

Next, successful partnerships involve representatives of organizations and institutions that have the authority (and resources) to help resolve the issue. Any partnership's capacity emanates from the authority of its key actors, who should be senior officials with broad, cross-cutting responsibilities. Interagency and intergovernmental cooperation may be essential; the support of a variety of organizations outside the development and employment field may also be needed. Avoiding "turf" battles may require the backing of other senior executives in the community. Involving senior management in defining a problem and stating the organization's position is a first step in getting commitment to help solve it and carry through on implementation.

Getting the Attention of Elected Officials

The role of local elected officials in linkage activities can be especially important. Their involvement can lend a sense of priority and seriousness to any linkage development activity, as well as pave the way for local government policy decisions or supportive actions that may be needed. In the Employment/Economic Development Connection project, local linkage groups headed by local elected officials - such as those led by county supervisors in Contra Costa and Chester Counties - and those which had the strong and visible support of elected officials - such as the Mayor of Akron - seemed able to move further than those which lacked this support.

In Contra Costa County, for example, the eventual decision to adopt a formal policy on linkage was facilitated by the direct involvement of two county supervisors on the linkage team. Similarly, Chester County's ability to target a wide array of county resources to two depressed steeltowns was made possible because of the strong participation of county commissioners in that project.

Build Diversity into the Partnership

In organizing a partnership, it is useful to think in terms of a broad-based team. Often the best solutions to problems come from people with very different views and skills. The problem-solving partnership should be made up of a diverse set of persons and organizations. Moreover, in a period of tight resources and complex problems, business, government, and the community are all wary of efforts that might ask any one group to give more or to sponsor new program activities. Having a team that includes the key sectors helps ensure that all viewpoints are represented. By bringing together many of those persons or organizations that might be part of a problem or solution, communities can gain broader support for addressing a problem and gain resources needed to deal with the problem. Some of the possible candidates are representatives of the mayor's or manager's office, employment and training programs, community and economic development agencies, the PIC, the chamber of commerce and other business groups, individual corporations, labor, the school system, community groups, and state government. Such a broad-based team was organized in Newark and Essex County, New Jersey. It included both city and county planning and economic development agencies, both city and county CETA and PIC organizations, the community college, the county vocational schools, the county Department of Citizens Services, and the Educational Improvement Center.

Consider Using a Facilitator

Because partnership development and negotiations among sectors are often new and difficult processes for communities, it may prove useful to employ some kind of "broker" to facilitate the problem-solving process. Neutral "third parties" who speak the language and command the trust of both sides can be helpful in facilitating negotiations and building a consensus for new directions. In some cases, a local individual (e.g., the dean of a local university) or institution (e.g., a community foundation) may be able to play the brokering role. The Cleveland Foundation has assisted in forging linkages between the Mayor's office and the business sector in Cleveland. In St. Paul, on the other hand, a well respected labor mediator was employed to facilitate development of a public-private investment strategy for some major projects there, including one (Energy Park) that incorporated job commitments for the long-term unemployed.

In other cases, an outside facilitator may be brought in. This was the role played by NAB and SRI in the Employment/Economic Development Connection. Involving "outsiders" and being a "demonstration" site can help make a linkage project "special" for a local community.

See Exhibit 8 for questions to consider in organizing a partnership.

Exhibit 8

ORGANIZING A PARTNERSHIP

- What is the issue that the community has decided to focus on?
- Who are the key public, private, and community actors with a direct interest in the issue--local and state government, PIC, schools, labor unions, business, community organizations, development groups?
- What organizations or institutions in the community have powers and resources that could help resolve the issue--CDBG office, chamber of commerce, employment and training agency, planning department, builders, neighborhood groups?
- Which individuals in the community have the authority to make decisions that affect the issue--elected officials, CEOs, heads of public commissions, developers?
- What viewpoints need to be represented in the partnership?
- Does there exist in the community a mechanism that could provide the basis for a problem-solving team (e.g., PIC)? Or is a new vehicle needed (e.g., a special linkage task force)?
- Who will assume the leadership role in the partnership?
- Who will provide the basic operational and technical staff support to the partnership?
- Are facilitators or special staff resources needed to support the team? Could local universities or corporations provide these?

ANALYZING THE ISSUE

Once organized, the partnership can proceed to analyze the issue at hand. This means diagnosing a problem or situation in a systematic way to understand its underlying causes and to lay the groundwork for developing a strategy to deal with it.

Develop a Consensus on What the Problem Is

Perhaps most important of all, the key actors – with their various viewpoints and perspectives – need to get their views out on the table and work toward a consensus on defining the problem and clarifying the objectives. This process may take a while if local actors are not used to working with each other.

But, problems usually cannot be solved until they have been carefully described. Vague problem definitions can result in scattered solutions that fail to address the need or, worse, compound the problem. For example, a problem defined merely as "a poorly trained labor supply" could be a result of inadequate vocational programs, poor schools, weak corporate in-house training, inaccessible or inadequate training facilities, or a mismatch between worker skills and the emerging needs of industry. To develop a coherent strategy to address the factors and forces that result in labor skill deficiencies will require a clear definition of the problem that all parties can generally agree on (i.e., one stating why current labor skills are deficient and how those deficiencies came about).

Review Available Data and Information

In refining the problem definition, it is obviously useful to review available data and studies to help understand the nature of the problem and identify key trends. Frequently, a community has sufficient information to work on the problem and major new planning studies are not required, but the information may be scattered in many different places. The partnership can play a key role in seeing that the relevant information is brought to bear on the analysis of the problem.

Consider Targeting an Area or Group of People

Sometimes, a community may want to target a specific population group (e.g., city residents, unemployed auto workers, minority youth) or geographic area (e.g., the downtown, a proposed urban enterprise zone). The partnership will need to be clear about its targets and its rationale for selecting them. In Contra Costa County, for example, one focus chosen was the needs of women who were single-parent mothers and AFDC recipients.

Examine the Underlying Forces Causing the Problem

Virtually any problem is influenced by a wide range of public and private sector policies and actions. Understanding such policies and actions is the first step in determining how they might be altered to help resolve the problem. For example, employment problems of the elderly might be affected by rules regarding access to training and vocational programs, industry hiring practices and retirement policies, and opportunities for alternative work schedules such as flextime and part-time work. Assuring that elderly residents of a community benefit from publicly-assisted economic development may require changes in such policies and practices. In Chicago, a group called Chicago ABLE has worked successfully with employers in the growing financial services industry to secure policy changes needed to generate opportunities for the elderly.

In other cases, however, a community may find that some forces causing a problem are beyond a community's control – as a number of steeltowns and autotowns in the Midwest have discovered.

Review Current Approaches

Reviewing current approaches to the issue is another important step. In most cases, some public program is available to deal with the issue, but the current approach may not meet the needs. Perhaps current training programs are of high quality but serve only a small percentage of the target population, perhaps they are not directed to the real needs of business, or perhaps they are inadequate and need to be revamped. In addition to reviewing current government approaches, one should also review those undertaken by the private and community sectors. Such efforts are typically smaller and not so well known, but sometimes they can be usefully expanded or linked with other activities to have more impact.

The process of analyzing issues and diagnosing problems with a diverse group of public, private and community actors is an important step in building a broad base of support for new approaches and strategies for linking economic development and employment activities. Inevitably, such an exercise results in some fresh thinking, new insights, and awareness of potential barriers and opportunities for addressing the problems. Exhibit 9 offers some questions to assist a community in such an exercise.

Exhibit 9

ANALYZING THE ISSUE

- What is the nature of the problem to be addressed? What are the objectives to be achieved?
- Is there a consensus among the members of the partnership concerning the nature of the problem?
- What do currently available studies and information reveal about the problem trends, severity, etc?
- Is there a target population or geographic area to focus on?
- What physical, economic, social, or other forces seem to be causing the problem?
- What are the most important barriers to the resolution of the problem?
- What current public or private sector practices and policies affect the problem? How might they be altered to help alleviate the problem?
- What individuals or organizations are currently involved with the problem? What are their current roles? What resources could they bring to bear?
- What public programs are currently used to address the problem? How well are they meeting the need?
- Are there effective private or community programs under way that could be expanded or linked with other activities?

IDENTIFYING OPTIONS

Once the problem analysis is done and current approaches have been reviewed, the challenge is to identify and develop new options for addressing the problem. In going through this exercise, it is important to cast one's net broadly – looking not just at traditional government programs but also at reforming tax, regulatory, and administrative policies, at new uses of private sector resources, at the potential for community-based and self-help efforts, and at creative use of federal programs such as UDAG, CDBG and JTPA.

Get Everybody's Ideas on the Table

Again, one of the values of diversity in the membership of the partnership is to help develop options for approaching the issue of concern. Each participant in the problem- solving partnership has a unique view of how to use resources and change policies to address the issue. A business representative may have an idea for using corporate training facilities or expertise; a community nonprofit group may have an idea for linking and expanding its job clubs; the county or city might offer its facilities as a training site or offer changes in regulations as an incentive for development. These different views must be discussed and a list of possible approaches reviewed by all the members of the partnership. When a list of different options is completed, the members of the group can consider the political and technical feasibility of the options.

A detailed discussion of changing roles and uses of resources was provided in Part One; therefore, only summaries are given below. But even simple frameworks and categories may assist communities in brainstorming and generating ideas about the resources that different parties can bring to bear on an issue.

Look at the Full Range of Private Sector Possibilities

One principal set of resources lies in the private sector, specifically the business community. These can include much more than just hiring practices and philanthropy:

- Corporate leadership (such as CEO support for a linkage strategy).
- Financial investments (such as a revolving fund for small and minority-owned businesses that hire the hard-to-employ).
- Operational policies (such as revised hiring practices and procedures to facilitate entry into the work force by refugees).
- Personnel and facilities (such as lending corporate personnel and equipment to PIC training programs).
- Corporate giving (such as seed money for development projects with potential job opportunities).

Examine New Uses of Governance Powers

A second set of resources is the governance powers of state and local government. Such powers can be used either to provide incentives for, or to remove barriers to, private sector action. Options here include:

- Regulatory changes (such as offering a zoning bonus in exchange for job commitments).
- Tax policy changes (such as tying tax abatements to agreements for hiring city residents).
- Administrative reforms (such as targeting government procurement to firms that train and hire the disadvantaged).
- Public advocacy (such as lobbying state and regional transit authorities to ensure highway access for a new developer who will be hiring JTPA eligibles).

Consider Roles for Community Organizations

Another set of resources can be found in the community and nonprofit sector. Such efforts can supplement and support more traditional government programs. For example, these can involve:

- Self-help (such as a community organized job club for unemployed residents).
- Peer support (such as a network of AFDC mothers assisting each other during a training program).
- Volunteers (such as use of union members to counsel unemployed youth about the social skills involved in job hunting).

Make Creative Use of Federal Resources

A fourth and critical category is the set of major federally sponsored economic development and employment and training programs. The flexibility inherent in these programs makes it possible for local practitioners to leverage private resources more effectively. They include:

- Urban Development Action Grants
- Community Development Block Grants
- Job Training Partnership Act

- Small Business Administration programs
- Economic Development Administration programs
- Urban Enterprise Zones (if enacted)

Tap Into Emerging State Programs

As states move beyond traditional "smokestack chasing" efforts and consider new economic development and employment and training initiatives, there are new opportunities for communities to use state resources in local linkage programs. Emerging areas of state activity which should be closely examined include:

- Financing and technical assistance for new and small businesses.
- Programs for promoting more effective utilization of technology in the factory and office.
- New efforts to reform the education system, improve technical training, and involve state institutions of higher education (e.g., state universities, community colleges) in economic development in more effective ways.
- New programs for financing and developing infrastructure.

Look At The Approaches of Other Communities

One community can often learn from the experiences of another which has addressed a similar problem or situation. Rarely can one community's experience or approach be directly transferred to another; adaptation to local circumstances is almost always necessary. However, as a community begins to develop an understanding of its problems and begins to seek out new solutions, it can benefit from a careful review of models from around the country. Such an exercise can both stimulate new ideas and save time and resources in the development of an idea.

Thus, the small business incubator developed by the Akron city government, the area's PIC, and Akron University has been closely examined by linkage teams in Jackson and Chester County as they have tried to put together a small business development strategy. Similarly, Fresno County has been able to adapt a business retention survey developed in Pittsburgh, Pennsylvania, for its own use in surveying businesses.

Undoubtedly, any discussion of alternatives with a diverse group of actors will generate a range of options. Some will make sense for your community; some will not. However, reviewing all options enhances the credibility of the process and assists the policy team in clarifying its objectives. Moreover, keeping a wide range of actors involved in the process will solidify an informal base of support for the policy options strategy. The list of questions in Exhibit 10 can help a community develop its set of options.

Exhibit 10

IDENTIFYING OPTIONS

- What private sector resources (such as investments, training facilities, hiring practices) do or could relate to the problem? How might they be tapped?
- What is the range of public governance powers (such as tax policies, regulations, administrative policies) that relate to the problem? How can they be changed to address the issue?
- What new roles could schools, community-based organizations, unions, or the unemployed themselves play in addressing this problem?
- How might federal program resources (CDBG, UDAG, JTPA) be used to leverage job-producing private development?
- What specific incentives could state and local governments provide or what disincentives could they remove to encourage greater private and community involvement in this issue?
- What organizational or institutional changes are required to ensure adequate coordination and linkage among the various resources and policy changes being considered?

NEGOTIATING AGREEMENTS

Moving from a list of possible options to an agreed on plan of action – a concerted strategy – requires negotiation among the key public and private sector actors. It is seldom easy, but working through the issue analysis and options identification steps with the partnership can provide the framework needed for successful negotiations.

Negotiating processes tend to be more successful than the traditional public resource allocation process because negotiation does not confront one business or government agency alone with the full responsibility for solving a problem. Instead, each group has the opportunity to participate in forming a part of the solution and deciding what would be a realistic action for the group to take. Sometimes this approach involves making trade-offs or compromises. For example, a business might be willing to make its training facilities available to the PIC if a third party would maintain them or cover the insurance costs. A government might reduce regulations constraining zoning for downtown development if hiring commitments could be assured. The result of the negotiation process can be an "Action Agreement" – a work plan that states what each partner will do and that can be used to measure what they have accomplished.

In the overall process of negotiating agreements, members of the community problem-solving partnership need to examine the feasibility of each option, select those that seem to have promise, negotiate specific agreements with those who will implement the policy options, and develop a work plan for the implementation phase of the initiative.

Be Ready for Negotiations

Such negotiations may be a new experience for many localities. To engage in them, all participants will need to understand fully what kinds of public and private resources can be brought to bear on community problems. Effective negotiations may require attitudinal changes and the development of improved analytic and bargaining skills, both in local government and in the private sector. They will surely require a sensitivity to different procedures, styles, language, and ways of doing business in each other's sector. Government will also need to be aware of private sector concerns about risky ventures, volatile issues, media attention, and citizen involvement. At the same time, the private sector will need to be sensitive to the public sector's responsibilities, procedures, and concern with equity. Thus, negotiations may be difficult, but it is only through effective negotiations among the parties that public and private sector resources can be mobilized to maximize their impact on community problems.

Use Public Policy Tools as "Sticks and Carrots"

The whole point of linkages is to help ensure that publicly assisted economic development activity in a community yields training and employment opportunities for those usually left out of the labor market. In negotiating with the private sector, the variety of public policy tools at the disposal of local and state governments can be used as "sticks" and "carrots" to promote private-sector involvement in community problem solving. Sometimes, policy tools can provide incentives to private initiative (as when developers are given a zoning variance to exceed normal density levels if they agree to hire some number of local residents in their development). Or policy tools may compel private action (as when recipients of city contracts are required to hire some percentage of minority workers or hiring goals are established for a UDAG project). In still other cases, policy tools may eliminate barriers to private sector initiative (as when review processes can be streamlined to facilitate new development activity). The lesson is that careful and strategic use of public policy tools can promote linkages in ways that best meet a local community's needs.

Analyze Basic Costs and Benefits of Major Approaches

In considering which specific options to pursue and include in a local agreement, the principal costs and benefits of the various options under consideration need to be analyzed. The partnership ought to look at both the intended and unintended effects of each option. Both administrative and direct costs ought to be estimated, along with their distribution in the community. Where possible, similar experiences of other communities should be considered.

Ideally, activities should be chosen that make the best use of various parties' skills and resources and that yield benefits to each party in exchange for the resources it makes available to the linkage strategy.

Consider Technical and Implementation Factors

The partnership will need to consider the technical issues involved with each option – the legalities involved, administrative requirements, coordination issues, approvals required. At the same time, implementation factors will need to be weighed – staffing requirements, level of expertise required, degree of complexity, organizational responsibility. Another set of factors concerns timing – start-up time, length of time for full implementation. Selecting some short-term, visible, "easy" options may be an important element of a community's linkage strategy.

Consider the Acceptability of Options

Another set of issues concerns acceptance. The key elements of any strategy must be acceptable to the local political and business leadership if they are to have much chance of success. Perhaps special efforts at building up institutional support for emerging options will be needed.

Use a Facilitator

The potential value of using a facilitator throughout the problem-solving process was highlighted in the section on organizing a partnership. It is in the critical negotiation process of working out agreements among public, private, and community actors that a facilitator can be especially valuable. If such an individual has not been employed by the partnership to date, perhaps it is time to consider the value of a facilitator again. As a "neutral third party," the facilitator can often help diverse actors come to agreement about joint action steps.

Develop Consensus and Collective Support for an Action Plan

By having worked together through the issue analysis and options identification steps (and perhaps having benefited from the aid of a facilitator), the partnership should be in a good position to develop a consensus on the various actions that need to be taken to resolve the issue of concern. Individuals involved in developing such a plan can then secure the support of their peers and colleagues in the community for the plan.

Put It in Writing

If participants are serious about their commitments, they ought to be willing to put them in writing, even if the commitment is just to make "best efforts" and is not legally binding. A written action plan ought to define objectives and expectations and spell out specific procedures, commitments, and schedules agreed to by the participants. Such a document can not only generate interest and attention for the linkage strategy, but also lay the necessary groundwork for the implementation steps to follow.

As an example, a linkage team in Cleveland/Cuyahoga County, Ohio, developed a formal memorandum of agreement spelling out roles for various development and employment agencies in promoting linkages. Contra Costa County established a formal policy statement, by vote of the County Board of Supervisors, doing much the same thing.

Exhibit 11 provides a checklist of questions to be considered in negotiating a linkage strategy.

Exhibit 11

NEGOTIATING AGREEMENTS

- What are the expected impacts (costs and benefits) of the various options being considered?
- What are the implementation considerations (timing, obstacles, legality, special approvals) involved with each option?
- What are the political considerations (acceptance to elected officials and the general public)?
- Is there a consensus among the participants about the preferred options?
- Can there be trade-offs or compromises among the participants?
- Can an outside facilitator help in reaching a consensus?
- Is the negotiated agreement clear and understood by all parties?
- Are roles for the various participants well-defined?
- Are the declared objectives established in such a way that they are feasible and success is measurable?
- Are the commitments firm and backed by a system of accountability?
- Have schedules been agreed to that are realistic for the plan of action?

IMPLEMENTING AND FOLLOWING THROUGH ON ACTION PLANS

Once the partners have negotiated an agreement on a plan of action, the final step is implementation and follow-through. Sometimes, in the enthusiasm over coming to agreement on an exciting new linkage activity, inadequate attention is paid to implementation. This was one of the key findings of evaluations of the Negotiated Investment Strategy experiments undertaken in three midwestern cities in 1979-1981. The most important categories of implementation that communities need to consider are organization, staffing, monitoring, revision of action plans, and follow-up.

Give the Linkage Activity a Home

Linkage activities need to be structured and given an organizational home if they are to be effective. The structure and organization will vary according to the nature and scope of the activities. In some cases, a simple project advisory committee might be all that is needed. In others, a more structured project organization with permanent staffing may be required. In more sophisticated development activities, some kind of development corporation with appropriate legal and financing powers may be needed to make the partnership viable. However, lessons from various partnerships around the country suggest the need to move beyond current ad hoc and informal arrangements to more formalized and businesslike kinds of structures.

Perhaps the partnership mechanism that developed the action plan will oversee implementation, or perhaps an existing agency, such as the CDBG office or PIC, can take responsibility. Alternatively, a special new group (perhaps a subcommittee of the partnership or a new committee altogether) will take on this task. Possibly, the problem- solving exercise will have generated interest in fundamental reorganization of local development and employment and training offices.

Provide Strong Staff Support for Implementation

Whatever vehicle is chosen, it is important that adequate staff support be dedicated to the implementation effort. Too often, partnership efforts and interagency cooperative activities are not seen as mainstream activities of organizations and receive something less than top-level staff support and attention. Linkage activities cannot be treated as secondary activities; they need to be run on a professional, businesslike basis if they are to maintain credibility with the participants. Qualified staff who have the respect of all parties ought to be placed in charge of the project. The objectives of the project and the roles and commitments of all participating parties must be clearly spelled out. Lines of authority and responsibility need to be clearly defined, and a schedule of major milestones and activities is required. Resource people or organizations in other communities or at the national level should be sought out for advice on how to deal with specific implementation problems that are sure to arise.

Monitor Implementation Closely

It is equally important to organize a monitoring group (perhaps a subcommittee of the partnership) to monitor, assess, and report on the progress of implementation. A simple monitoring and reporting system should be developed to keep all parties informed of the progress, accomplishments, and problems of the activity. A policy on media coverage and publicity should also be considered, striving for a balance between the need for public awareness and the problems of media overkill and unrealistic public expectations.

Be Ready for Mid-Course Corrections

Obviously, as implementation proceeds, problems will occur and lessons will be learned that suggest a change in course. To cope with such eventualities, the partnership should have means for revising and expanding its action plan as time goes on. The partnership should review the status of the action plan periodically, ascertain the progress made, and negotiate modifications as appropriate.

Build on Today's Momentum to Develop Tomorrow's Program

Successful partnerships can not only solve problems; they can also provide the basis for future efforts. Thus, good follow-up is important. All participants need to be kept informed about the progress, accomplishments, and problems encountered during the course of a project. The channels of communication among parties have to be kept open at all times. As results are achieved, the participants should be given the appropriate credit. A successful activity can be used as a springboard to the next partnership activity. Also, contacts and working relationships established in one activity can form the basis for developing other activities in the future.

Several of the communities participating as demonstration sites in the Employment/Economic Development Connection have decided to continue the linkage task forces that they have established beyond the date of the project termination. Some of these such as Fresno County, will continue as an ad hoc group. Others such as Akron's will result in a new organizational entity to continue linkage activitives. While some groups such as Chester County's will continue to focus on the same issues (new and small business development), the group in Grand Forks wants to address some new issues as well, now that they are getting comfortable with the linkage process.

Build From Successful Projects to New Institutional Arrangements

Developing a successful linkage activity around one priority issue can provide the basis for new institutional arrangements and reforms. Learning the values of collaboration and the benefits of linking can help different organizations overcome long- standing barriers and isolation. Therefore, as one linkage activity succeeds, participants should keep an eye out for opportunities to develop new organizational arrangements or coordinating processes on a longer-term basis. Alternatively, frustrations in implementing a linkage initiative might also suggest the need for reforms.

See Exhibit 12 for a final set of self-assessment questions on implementation and follow-through.

Remember, the first step is the most important step. GET STARTED!

Exhibit 12

IMPLEMENTING AND FOLLOWING THROUGH ON ACTION PLANS

- Are there institutional vehicles available to carry out the agreed-on partnership activity?
- Who can implement and monitor the partnership activity?
- Is a new institution needed?
- How will the partnership ensure that the agreements are followed through?
- What responsibility does each partner in the agreement have for implementation?
- What measures will be used to determine whether the approach is working?
- Who will monitor and report on the progress of the agreement to see that it is done?
- What mechanism will be used to keep the lines of communication open among partners during the implementation of the agreement?
- What is the contingency plan if the initiative fails or goes awry?
- What kinds of permanent institutional changes seem warranted on the basis of this linkage experience?

Appendix

RESOURCE ORGANIZATIONS

Center for Corporate Public Involvement
1850 K Street, NW
Washington, D.C. 20006

Stanley Karson
202-862-4047

A center established by the life and health insurance industry to help focus that industry's corporate social responsibility activities. A major initiative is a commitment by over 100 companies to work on the problems of minority youth unemployment.

* * *

Chamber of Commerce of the United States
1615 H Street, NW
Washington, D.C. 20062

William Kelleher
202-659-6000

The national organization representing chambers of commerce from across the country. It has developed programs to encourage local chambers and business people to work on such matters as improving local program management, reviewing federal spending at the local level and promoting business involvement in local development and training programs.

* * *

Committee for Economic Development
1700 K Street, NW
Washington, D.C. 20006

Scott Fosler
202-296-5860

A nonprofit, nonpartisan research and educational organization involving the business and academic communities which focuses on issues of business and public policy. It produced a major study leading to the development of a policy statement on public-private partnerships and a set of seven city-specific case studies. It has also published policy statements on programs for the hard-to-employ.

* * *

Corporation for Enterprise Development
1320 19th Street, NW
Washington, D.C. 20036

Robert Friedman
202-659-3986

A research and policy group. It publishes a variety of materials on enterprise development and its connection with training and job creation.

* * *

Eagleton Institute of Politics
Rutgers University
New Brunswick, NJ 08901

Carl Van Horn
201-828-2210

The institute which monitored and analyzed the Targeted Jobs Demonstration Program in the 14 communities participating in the program. It has produced guidance materials on coordinating economic development and employment and training programs.

* * *

International City Management Association
1120 G Street, NW
Washington, D.C. 20005

Donald Borut
202-828-3600

The professional and educational organization for chief appointed management executives in local government. It conducted a major HUD-sponsored project to identify and catalogue alternative approaches for the private delivery of public services and has developed a training program on economic development strategies.

* * *

National Alliance of Business
1015 - 15th Street, NW
Washington, D.C. 20005

Terence Singer
202-289-2914

A national partnership of business, labor, and government working to solve the unemployment problems of economically disadvantaged people. With Labor Department and corporate support, it encourages private business training and hiring programs and provides technical support to local Private Industry Councils.

* * *

National Association of Counties
440 First Street, NW
Washington, D.C. 20001

Pat Elston
202-393-6226

The only national organization representing the 3,000-plus county governments in the U.S. It organized the Alliance of Business and Counties Program (ABC) to help recognize and foster collaborative problem-solving between private business and county governments.

* * *

National Council for Urban Economic Development
1735 K Street, NW
Washington, D.C. 20006

James Peterson
202-223-4735

A national organization providing research and technical information to professionals in urban economic development. Among its various activities have been major studies of employment/economic development linkages and the role of banks in community development.

* * *

National Development Council
1025 Connecticut Avenue, NW
Washington, D.C. 20036

John Sower
202-466-3906

A private, nonprofit organization providing technical assistance to states and localities. It uses development specialists to strengthen local economic development capacity and serve as catalysts for partnerships in economic development.

* * *

National League of Cities
1301 Pennsylvania Avenue, NW
Washington, D.C. 20004

William Barnes
202-626-3000

A lobbying, policy-making, and technical services organization representing cities of all sizes and state municipal leagues across the country. It is currently working on public- private activities covering such topics as infrastructure, international trade, and economic development.

* * *

SRI International
333 Ravenswood Avenue
Menlo Park, CA 94025

Thomas Chmura
415-859-4201

An independent, nonprofit research organization (formerly Stanford Research Institute) performing problem-oriented research for public and private sector clients in the U.S. and abroad. Its Public Policy Department focuses on public policy options – alternative ways of addressing community problems that involve more effective use of the full range of public and private sector resources to deal with social and economic issues.

* * *

U.S. Conference of Mayors
1620 Eye Street, NW
Washington, D.C. 20006

Steven Cain
202-293-7330

The national organization representing the 800-plus mayors of U.S. cities with populations of at least 30,000. Currently administering the Triangular Partnerships Program, sponsored by HUD and the Charles Stewart Mott Foundation, which promotes city/business/neighborhood partnerships. Has produced guidance materials for local economic development practitioners.

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THE EMPLOYMENT/ECONOMIC DEVELOPMENT CONNECTION
PROJECT SUMMARY

In September 1982, the National Alliance of Business and SRI International were awarded a grant by the Department of Housing and Urban Development to assist local communities strengthen links between job-creating and employment and training activities. The overall goal of the project was to demonstrate that greater cooperation among public and private sector institutions with responsibilities for economic and human resource development can improve the performance of both, generating greater private investment and more jobs for the unemployed. It was felt that stronger coordination could increase the job creation impact of Community Development Block Grant and the Urban Development Action Grant projects and other local development investments.

The assumptions underlying NAB and SRI's approach to the project were that:

1. In most places, economic and community development and job training programs are operated separately, without significant interrelationships, even though important benefits can be derived from effective linkages between them.

2. Recent changes in the law, regulations and policy objectives of major federal programs, stressing the need to identify and solve community problems at the state and local level, presented a good opportunity to identify new ways of packaging available resources.

3. The "outside facilitator" can play a pivotal role in creating a climate for change and can provide valuable assistance and additional perspective in identifying and suggesting appropriate approaches to linkage.

Nine localities participated in the project. In each of the sites, important public and private sector leaders expressed an interest in closer cooperation, and pledged to participate in a broadly-representative task force. The task forces identified priority community development and training issues and brought together the expertise and resources necessary to address those issues. Initially, NAB and SRI provided the impetus for creation of the task forces; and then supported their work by providing information, contributing an "outside" perspective and facilitating the decision-making process. The short-term objective of the task force was to get solid agreements on specific programs and projects. The long-term objective was to build an institutional framework and the momentum necessary to both yield progress on specific linkage projects and produce results that will cause the process to continue unaided.

Project experience supported the initial assumptions:

1. Even in the "best" places – those with solid employment and training and development institutions – the various actors tend to go their own way. Even the

most competent staff persons are necessarily limited in their day-to-day knowledge of the activities of others pursuing similar objectives and slow to identify opportunities for links. Efforts to encourage closer cooperation can be useful in a variety of locations – those with good knowledge and ability to link, as well as those just getting started.

2. The advent of the New Federalism and the timing of the project, which coincided with implementation of the Job Training Partnership Act, created keen interest in sorting out new roles and responsibilities, as well as an atmosphere of institutional flux. In some areas the project was viewed as an ideal opportunity to build new arrangements and begin to shape a community response to problems. In other places the need to combine resources and build partnerships was well recognized, but the institutional and personnel arrangements were unsettled. In these latter sites, progress was slower and more difficult than might otherwise have been the case.

3. The "outside facilitator" approach works. A "neutral" third party can provide a needed impetus in bringing together separate institutions. A desire to link development and employment and training in order to encourage job creation may exist among a community's leaders or key officials, but the press of other business – planning, funding and managing programs – prevents attention to "ancillary" activities, however worthy. The "outside facilitator," particularly if accompanied by the interest of a federal agency, can provide the necessary push to begin.

It was also confirmed that a public-private task force is an effective method for eduating all "sides" of the development/training equation; building consensus on a community's priority needs; and organizing a joint response to identified needs. Strong support from the chief elected official and/or public and private sector leaders was critical to establishment of the task forces in all sites. Such support, coupled with the outside impetus provided by NAB and SRI, was a necessary first step in getting agreement to participate among those public and private representatives with a stake in job creation. Once assembled, the task force setting presents an opportunity for building understanding and rapport among representatives of organizations which might not otherwise take the time to explore mutual concerns. The task force method of operation was an educational and institution-building opportunity first; and then, a forum for creating joint programs and policies to aid in job creation and employment, particularly for the disadvantaged.

In addition to these overall results, specific linkage projects are being planned or have been undertaken in the sites. These projects demonstrate what can be accomplished in a particular community through joint efforts; and can also serve as useful examples to other communities. The project experience has been incorporated into this guidebook both explicitly and implicitly. Brief summaries of linkage activity in each of the sites are presented below.

Akron, Ohio - Known widely as the rubber capital of the world, the Akron area is no longer home for large-scale tire manufacturing but is attempting to make a transition to a new local economy that includes "high-tech" polymer development. The linkage strategy developed by the area's public-private working group included three major actions: the creation of the Akron Area Joint Economic Council - a public-private forum for developing, sharing and using information on the local economy; a joint incentive marketing program headed by the area's chamber of commerce; and, arrangements for closer collaboration between the area's economic development organizations and the public school systems.

Chester County, Pennsylvania - This county of 316,000 people, located west of Philadelphia, developed a linkage strategy for new and small business development in two small steeltowns. Elements of its strategy included a CDBG revolving loan fund with hiring requirements, two dislocated worker job search centers, an OJT program for new and small businesses, an entrepreneurial training program called Be Your Own Boss, and a planned small business incubator.

Cleveland, Ohio - This major Northeast Ohio manufacturing center is taking action on many fronts to deal with the erosion of its traditional employment base and respond to the employment needs of both the economically disadvantaged and dislocated workers. A Memorandum of Agreement among the employment and training and economic development organizations of the greater Cleveland area established the foundation for improved cooperation. The staffs of these agencies have undergone joint training, the administration of the city's hiring requirement is being strengthened, and planning for the city's Trageted Investment Area (enterprise zone) includes careful attention to job creation for the economically disadvantaged.

Contra Costa County, California - In this rapidly growing county of 680,000 people, located east of Oakland and San Francisco, a linkage strategy was developed to tie employment and training for disadvantaged county residents to the considerable economic development occurring in the county. The strategy included the enactment of a policy statement by the County Board of Supervisors (making resident employment a key factor in the provision of county assistance to new developers), the establishment of a training resource center and small business assistance center at the PIC, and a pilot project for women receiving AFDC.

Fresno County, California - This county of 546,000, located in the agricultural heartland of central California, developed a multi-faceted linkage strategy. The strategy included a labor market analysis to help develop a better understanding of future employment and training needs, a business retention survey to provide the county with information about the needs of local firms, a marketing program to highlight the available training and development incentives in the county, and a "community preparedness" program to help smaller cities prepare for economic development.

Grand Forks, North Dakota – In this city of 44,000, agribusiness is the predominant economic base, with the University of North Dakota and the Grand Forks Air Force Base providing other major sources of employment. Development of a linkage strategy focused on the Grand Forks Foreign Trade Zone (at the time, proposed; and now established) and small business assistance. Initial steps in the formulation of a linkage strategy included establishing a forum for the employment and training and development organizations to raise and address issues of common concern; and developing a jointly funded business survey to provide information needed to market the Foreign Trade Zone and needed, as well, to identify small business needs.

Greenville, South Carolina – Traditionally dependent on the textile industry which has been hard hit by imports, Greenville is taking steps to diversify its economy. To address the principal concerns of the linkage task force, subcommittees were established to explore: assistance to emerging small business and creation of jobs for residents through a small business incubator located in an underdeveloped section of the city; design of training programs to meet the needs of clusters of small businesses; and, establishment of a training clearinghouse to identify the great variety of training resources available, prevent duplication of effort, and match employers' needs to area training capabilities.

Jackson, Michigan – This city with a population of approximately 40,000 is located 60 miles west of Detroit and has been hard hit by the employment contraction in the auto industry. In 1982 the area's principal public and private institutions created the Jackson Area Coalition on Economic Development to provide a vehicle for addressing economic issues in a more active and coordinated manner. Priority objectives have been the development of a Defense Procurement Center to assist local businesses procure defense contracts, the creation of a county-wide development organization and support for small business activities such as entrepreneurial training, startup financing and the possible provision of "incubator" space.

Tupelo, Mississippi – This city of 24,000 is located in Lee County in northeastern Mississippi and is the area's trading and transportation center. The area's linkage strategy includes two major projects which will blend economic development and employment and training objectives and resources. One is the development of an exposition/trade center/arena which will lead to both service and manufacturing jobs in, and related to, the furniture industry. The other is a two-faceted program for stimulating educational achievement through a system of academic competitions and a private business Adopt-A-School program.

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National Alliance of Business

The National Alliance of Business (NAB) is an independent, business-led, non-profit corporation whose mission is to increase private sector training and job opportunities for the economically disadvantaged and the long-term unemployed by building and strengthening public/private partnerships of business, government, labor, education, and community-based organizations.

SRI International (formerly Stanford Research Institute) is an independent, non-profit corporation performing a broad spectrum of problem-oriented research under contract to government, industry, and business. SRI was founded in 1946. Originally affiliated with Stanford University, SRI now operates as a separate corporation, chartered by the State of California, with its own full-time staff and facilities.